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Senate Hearings

Before the Committee on Appropriations

Department of the Interior and Related Agencies Appropriations

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94*th* CONGRESS, FIRST SESSION

Part 3 (Pages 1–1008)

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DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1976

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS UNITED STATES SENATE

NINETY-FOURTH CONGRESS

FIRST SESSION

ON

AN ACT MAKING APPROPRIATIONS FOR THE DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES FOR THE FISCAL YEAR ENDING JUNE 30, 1976, AND FOR OTHER PURPOSES

Printed for the use of the Committee on Appropriations

PART 3 (Pages 1–1008)

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SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS

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Staff Assistants, Department of the Interior and Related Agencies

CONTENTS

(Part 3—Pages 1–1008)

	Page
DEPARTMENT OF THE INTERIOR:	
Departmental Overview:	
Secretary of the Interior	1
Franklin Delano Roosevelt Memorial Commission	175
National Gallery of Art	183
Commission of Fine Arts	195
Indian Claims Commission	203
Pennsylvania Avenue Development Corporation	209
National Capital Planning Commission	219
Woodrow Wilson International Center for Scholars	229
Joint Federal-State Land Use Planning Commission for Alaska	247
Federal Metal and Nonmetallic Mine Safety Board of Review	257
DEPARTMENT OF THE INTERIOR:	
Territorial Affairs:	
Trust Territory of the Pacific Islands	263
U.S. Fish and Wildlife Service	351
Administration of Territories:	
Guam	411
American Samoa	435
National Park Service	475
Forest Service	615
Bureau of Mines	731
Mining Enforcement and Safety Administration	731
Bureau of Indian Affairs	855
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE:	
Health Services Administration:	
Indian Health Service	925
Office of Education:	
Office for Indian Education	989

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1976

THURSDAY, MARCH 6, 1975

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

The subcommittee met at 10 a.m., in room 1114, Everett McKinley Dirksen Office Building, Hon. Robert C. Byrd (chairman) presiding.

Present: Senators Byrd, Chiles, Hollings, Mansfield, Stevens, and Young.

DEPARTMENT OF THE INTERIOR

DEPARTMENTAL OVERVIEW

STATEMENT OF HON. ROGERS C. B. MORTON, SECRETARY OF THE INTERIOR

ACCOMPANIED BY:

ROYSTON C. HUGHES, ASSISTANT SECRETARY, PROGRAM DEVELOPMENT AND BUDGET
JACK W. CARLSON, ASSISTANT SECRETARY, ENERGY AND MINERALS
CURTIS BOHLEN, DEPUTY ASSISTANT SECRETARY FOR FISH AND WILDLIFE AND PARKS
JAMES T. CLARKE, ASSISTANT SECRETARY, MANAGEMENT
MORRIS THOMPSON, COMMISSIONER OF INDIAN AFFAIRS
JACK O. HORTON, ASSISTANT SECRETARY, LAND AND WATER RESOURCES
FRANCIS M. WILES, DIRECTOR OF BUDGET, OFFICE OF THE SECRETARY

OPENING STATEMENT OF SENATOR ROBERT C. BYRD

Senator ROBERT C. BYRD. The subcommittee will come to order. This is the date scheduled to begin hearings on the 1976 fiscal year budget estimates for the Department of the Interior and related agencies.

SCOPE OF SUBCOMMITTEE HEARINGS

These hearings will span the next several weeks and will cover all Interior agencies but the Bureau of Reclamation and the power marketing agencies. Related agencies include the Forest Service, Federal

Energy Administration, portions of the Energy Research and Development Administration, Indian Health Service, Smithsonian Institution, and National Foundation on the Arts and Humanities.

Again this year we are off to a late start with a delayed budget transmittal and we will not be finishing our hearings until early May.

There are several major uncertainties, mainly involving the energy programs. We will be awaiting the passage of authorization bills before we can make final decisions on several key appropriations. And we will be implementing, at least partially, the new procedures of the Budget Reform Act this session.

Hopefully, we will be able to follow a timetable in both Houses that will enable us to pass the Interior appropriations bill by July 1. Certainly this committee will do everything it can to reach that goal.

Last year we were troubled by a constant flow of budget amendments. We hope that situation won't develop again, but if there are any in the works we will expect to have them transmitted at the earliest possible date.

BUDGET ESTIMATES

This year we will be considering budget estimates totaling just over $4 billion. That's an increase of more than $256 million over appropriations to date for fiscal 1975. Most of the increase is related to energy matters. Of that total, nearly $2.4 billion is for the Interior Department and some $1.6 billion for related agencies.

In addition, we have 1975 supplemental estimates to date totaling $185.1 million in budget authority, and $174.7 million in outlays for all agencies, and those figures are expected to go up before we are through.

1976–77 TRANSITION

This year we will also have to consider appropriations for the July–September transition period that will line us up for the new fiscal year in 1977. Transition estimates of new budget authority total nearly $1.2 billion.

CONTRACT LIQUIDATION

Finally, the bill carries a total of $221.4 million for liquidation of contract authority, mainly for road construction. There is a transition estimate for this activity of $38.5 million.

COMPARATIVE TABLES

To complete the opening record, we will include the usual comparative tables; first, a summary of budget authority for fiscal year 1975 and 1976 by agency and appropriation for the entire bill. Then, Interior tables of outlays by appropriation, 1972 through 1976, appropriations and receipts for 1974 through 1976, an analysis of permanent positions and statements of permanent and trust fund appropriations for the same period, and finally appropriations for research and development, also for 1974 through 1976. We will supplement that this year with a summary table of Interior energy-related activities for the same period.

[The information follows:]

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1975 AND THE BUDGET ESTIMATES FOR 1976 AND THE TRANSITION PERIOD

[NOTE.—All amounts are in the form of "appropriations" unless otherwise indicated.]

Agency and Item	New budget (obligational) authority appropriated, 1975 (enacted to date)	Estimates of new (obligational) authority, 1976 and the transition period [1]	Budget estimates, 1976, compared with 1975 appropriations
(1)	(2)	(3)	(4)
TITLE I—DEPARTMENT OF THE INTERIOR			
LAND AND WATER RESOURCES			
BUREAU OF LAND MANAGEMENT			
Management of lands and resources	[2] $153,496,000	$186,989,000	+$33,493,000
Transition period		57,380,000	
Construction and maintenance	6,725,000	9,061,000	+2,336,000
Transition period		2,238,000	
Public lands development roads and trails (appropriation to liquidate contract authority)	*(4,070,000)*	*(4,883,000)*	*(+813,000)*
Transition period		*(1,121,000)*	
Oregon and California grant lands (indefinite, appropriation of receipts)	38,200,000	38,200,000	
Transition period		10,200,000	
Range improvements (indefinite, appropriation of receipts)	4,187,000	5,450,000	+1,263,000
Transition period		600,000	
Recreation development and operation of recreation facilities (indefinite, special fund)	242,000	300,000	+58,000
Transition period		100,000	
Total, Bureau of Land Management	202,850,000	240,000,000	+37,150,000
Transition period		70,518,000	
OFFICE OF WATER RESEARCH AND TECHNOLOGY			
Salaries and expenses	19,792,000	[2] 18,327,000	−1,465,000
Transition period		4,516,000	
Total, Land and Water Resources	222,642,000	258,327,000	+35,685,000
Transition period		75,034,000	
FISH AND WILDLIFE AND PARKS			
BUREAU OF OUTDOOR RECREATION			
Salaries and expenses	5,210,000	5,645,000	+435,000
Transition period		1,411,000	
LAND AND WATER CONSERVATION FUND			
Appropriation of receipts (indefinite)	300,000,000	300,000,000	
Transition period		75,000,000	
UNITED STATES FISH AND WILDLIFE SERVICE			
Resource management	101,126,000	112,433,000	+11,307,000
Transition period		27,038,000	
Construction and anadromous fish	14,047,000	6,727,000	−7,320,000
Transition period		1,060,000	
Migratory bird conservation account (definite, repayable advance)	1,000,000		−1,000,000
Transition period			
Total, United States Fish and Wildlife Service	116,173,000	119,160,000	+2,987,000
Transition period		28,098,000	
NATIONAL PARK SERVICE			
Operation of the national park system	$209,325,000	$240,121,000	+$30,796,000
Transition period		74,453,000	
Planning and construction	58,112,000	22,800,000	−35,312,000
Transition period		6,000,000	
Road construction (appropriation to liquidate contract authority)	*(28,026,000)*	*(38,820,050)*	*(+12,794,000)*
Transition period		*(9,400,000)*	
Preservation of historic properties	24,375,000	24,516,000	+141,000
Transition period		6,040,000	
Planning, development and operation of recreation facilities (indefinite, special fund)	11,900,000	18,000,000	+6,100,000
Transition period		5,000,000	
John F. Kennedy Center for the Performing Arts	2,420,000	2,575,000	+155,000
Transition period		741,000	
Total, National Park Service	306,132,000	308,012,000	+1,880,000
Transition period		92,266,000	
Total, Fish and Wildlife and Parks	727,515,000	732,817,000	+5,302,000
Transition period		196,775,000	

See footnotes at end of table

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1975 AND THE BUDGET ESTIMATES FOR 1976 AND THE TRANSITION PERIOD—Continued

[NOTE.—All amounts are in the form of "appropriations" unless otherwise indicated.]

Agency and item	New budget (obligational) authority appropriated, 1975 (enacted to date)	Estimates of new (obligational) authority, 1976 and the transition period [1]	Budget estimates, 1976, compared with 1975 appropriation
(1)	(2)	(3)	(4)
TITLE I—DEPARTMENT OF THE INTERIOR—Continued			
FISH AND WILDLIFE AND PARKS—Continued			
ENERGY AND MINERALS			
GEOLOGICAL SURVEY			
Surveys, investigations, and research	[4] 249, 300, 000	268, 259, 000	+18, 959, 000
Transition period		67, 200, 000	
MINING ENFORCEMENT AND SAFETY ADMINISTRATION			
Salaries and expenses	67, 913, 000	79, 500, 000	+11, 587, 000
Transition period		20, 600, 000	
BUREAU OF MINES			
Mines and minerals	[4] 132, 963, 000	143, 387, 000	+10, 424, 000
Transition period		35, 700, 000	
Total, Energy and Minerals	450, 176, 000	491, 146, 000	+40, 970, 000
Transition period		123, 500, 000	
INDIAN AFFAIRS			
BUREAU OF INDIAN AFFAIRS			
Operation of Indian programs	469, 814, 000	526, 926, 000	+57, 112, 000
Transition period		173, 186, 000	
Construction	61, 804, 000	61, 400, 000	−404, 000
Transition period		13, 550, 000	
Road construction (appropriation to liquidate contract authority)	*(59, 500, 000)*	*(66, 705, 000)*	*(+7, 205, 000)*
Transition period		*(23, 000, 000)*	
Indian loan guaranty and insurance fund	20, 000, 000	23, 000, 000	
Transition period			
Revolving fund for loans	$38, 000, 000	$12, 000, 000	−$26, 000, 000
Transition period			
Alaska Native fund	70, 000, 000	70, 000, 000	
Transition period		40, 000, 000	
Trust funds (definite)	3, 000, 000	3, 000, 000	
Transition period		750, 000	
Trust funds (indefinite)	19, 500, 000	31, 200, 000	+11, 700, 000
Transition period		8, 298, 900	
Total, Bureau of Indian Affairs	682, 118, 000	724, 526, 000	+42, 408, 000
Transition period		235, 784, 900	
TERRITORIAL AFFAIRS			
OFFICE OF TERRITORIAL AFFAIRS			
Administration of territories	14, 450, 000	15, 000, 000	+550, 000
Transition period		2, 800, 000	
Permanent appropriation (special fund)	*(625, 000)*	*(600, 000)*	*(−25, 000)*
Transition period		*(185, 000)*	
Transferred from other accounts (special fund)	*(375, 000)*	*(975, 000)*	*(+100, 000)*
Transition period		*(253, 000)*	
Trust Territory of the Pacific Islands	61, 700, 000	81, 000, 000	+19, 300, 000
Transition period		15, 100, 000	
Micronesian claims fund, Trust Territory of the Pacific Islands	1, 400, 000	10, 000, 000	+8, 600, 000
Transition period		8, 600, 000	
Total, Office of Territorial Affairs	77, 550, 000	106, 000, 000	+28, 450, 000
Transition period		27, 500, 000	
SECRETARIAL OFFICES			
OFFICE OF THE SOLICITOR			
Salaries and expenses	[4] 10, 755, 000	12, 014, 000	+1, 259, 000
Transition period		2, 737, 000	
OFFICE OF THE SECRETARY			
Salaries and expenses	19, 454, 000	21, 343, 000	+1, 889, 000
Transition period		4, 850, 000	
Departmental operations	[4] 10, 438, 000	14, 278, 000	+3, 840, 000
Transition period		2, 920, 000	

See footnotes at end of table.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1975 AND THE BUDGET ESTIMATES FOR 1976 AND THE TRANSITION PERIOD—Continued

[NOTE.—All amounts are in the form of "appropriations" unless otherwise indicated.]

Agency and item	New budget (obligational) authority appropriated, 1975 (enacted to date)	Estimates of new (obligational) authority, 1976 and the transition period [1]	Budget estimates, 1976, compared with 1975 appropriations
(1)	(2)	(3)	(4)
TITLE I—DEPARTMENT OF THE INTERIOR—Continued			
SECRETARIAL OFFICES—Continued			
OFFICE OF THE SECRETARY—continued			
Salaries and expenses (special foreign currency program)	$192,000	$1,714,000	+$1,522,000
Transition period		100,000	
Total, Office of the Secretary	30,084,000	37,335,000	+7,251,000
Transition period		7,870,000	
Total, Secretarial offices	40,839,000	49,349,000	+8,510,000
Transition period		10,597,000	
Total, new budget (obligational) authority, Department of the Interior	2,200,840,000	2,362,165,000	+161,325,000
Transition period		669,190,900	
Consisting of—			
Appropriations	2,200,840,000	2,362,165,000	+161,325,000
Transition period		669,190,900	
Definite appropriations	(1,826,811,000)	(1,969,015,000)	(+142,204,000)
Transition period		(569,992,000)	
Indefinite appropriations	(374,029,000)	(393,150,000)	(+19,121,000)
Transition period		(99,198,900)	
Memoranda—			
Appropriations to liquidate contract authority	(89,596,000)	(110,208,000)	(+20,612,000)
Transition period		(38,521,000)	
Total, new budget (obligational) authority *and* appropriations to liquidate contract authority	(2,290,436,000)	(2,472,373,000)	(+181,937,000)
Transition period		(707,711,900)	
TITLE II—RELATED AGENCIES			
DEPARTMENT OF AGRICULTURE			
FOREST SERVICE			
Forest protection and utilization:			
Forest land management	306,119,000	338,297,000	+32,178,000
Transition period		111,388,000	
Forest research	75,402,000	79,211,000	+3,809,000
Transition period		21,550,000	
State and private forestry cooperation	34,638,000	30,222,000	−4,416,000
Transition period		9,202,000	
Total, forest protection and utilization	416,159,000	447,730,000	+31,571,000
Transition period		142,140,000	
Construction and land acquisition	30,908,000	14,475,000	−16,433,000
Transition period		11,074,000	
Youth conservation corps	10,240,000	10,400,000	+160,000
Transition period		9,054,000	
Forest roads and trails (appropriation to liquidate contract authority)	*(120,864,000)*	*(108,225,000)*	*(−12,639,000)*
Transition period			
Acquisition of lands for national forests:			
Special acts (special fund, indefinite)	$161,000	$161,000	
Transition period			
Acquisition of lands to complete land exchanges	39,310	35,000	−$4,310
Transition period			
Acquisition of lands, Klamath Indians	49,000,000		−49,000,000
Transition period			
Cooperative range improvements (special fund, indefinite)	700,000	700,000	
Transition period			
Assistance to States for tree planting	1,344,000	1,359,000	+15,000
Transition period		829,000	
Construction and operation of recreation facilities (indefinite, special fund)	1,260,000	3,674,000	+2,414,000
Transition period		2,212,000	
Total, Forest Service	509,811,310	478,534,000	−31,277,310
Transition period		164,309,000	

See footnotes at end of table.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1975 AND THE BUDGET ESTIMATES FOR 1976 AND THE TRANSITION PERIOD—Continued

[NOTE.—All amounts are in the form of "appropriation" unless otherwise indicated.]

Agency and item	New budget (obligational) authority appropriated, 1975 (enacted to date)	Estimates of new (obligational) authority, 1976 and the transition period [1]	Budget estimates, 1976, compared with 1975 appropriations
(1)	(2)	(3)	(4)
TITLE II—RELATED AGENCIES—Continued			
DEPARTMENT OF AGRICULTURE—Continued			
ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION			
Operating expenses, fossil fuels	[9] 330, 755, 000	398, 600, 000	+67, 845, 000
Transition period		102, 370, 000	
Plant and capital equipment, fossil fuels	[9] 13, 260, 000	20, 425, 000	+7, 165, 000
Transition period		8, 260, 000	
Special foreign currency program, fossil fuels		6, 650, 000	+6, 650, 000
Transition period			
Total, Energy Research and Development Administration	344, 015, 000	425, 675, 000	+81, 660, 000
Transition period		110, 770, 000	
FEDERAL ENERGY ADMINISTRATION			
Salaries and expenses	[10] 124, 835, 000	112, 435, 000	−12, 400, 000
Transition period		48, 000, 000	
FEDERAL METAL AND NONMETALLIC MINE SAFETY BOARD OF REVIEW			
Salaries and expenses	60, 000	60, 000	
Transition period		15, 000	
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE			
HEALTH SERVICES ADMINISTRATION			
Indian health services	226, 217, 000	269, 541, 000	+43, 324, 000
Transition period		73, 028, 000	
Indian health facilities	57, 431, 000	41, 458, 000	−15, 973, 000
Transition period		11, 084, 000	
Total, Indian Health	283, 648, 000	310, 999, 000	+27, 351, 000
Transition period		84, 112, 000	
OFFICE OF EDUCATION			
Indian education	$42, 000, 000	$42, 055, 000	+$55, 000
Transition period		516, 000	
INDIAN CLAIMS COMMISSION			
Salaries and expenses	1, 324, 000	1, 420, 000	+96, 000
Transition period		355, 000	
SMITHSONIAN INSTITUTION			
Salaries and expenses	67, 789, 000	79, 408, 000	+11, 619, 000
Transition period		22, 010, 000	
Museum programs and related research (special foreign currency program)	2, 000, 000	2, 000, 000	
Transition period		750, 000	
Science information exchange	1, 755, 000	1, 875, 000	+120, 000
Transition period		500, 000	
Construction and improvements, National Zoological Park	9, 420, 000	9, 550, 000	+130, 000
Transition period		1, 440, 000	
Restoration and renovation of buildings	1, 490, 000	1, 467, 000	−23, 000
Transition period		400, 000	
Construction (appropriation to liquidate contract authority)	(7, 000, 000)	(3, 000, 000)	(−4, 000, 000)
Transition period			
Salaries and expenses, National Gallery of Art	6, 623, 000	7, 598, 000	+975, 000
Transition period		1, 946, 000	
Salaries and expenses, Woodrow Wilson International Center for Scholars	954, 000	975, 000	+21, 000
Transition period		244, 000	
Total, Smithsonian Institution	90, 031, 000	102, 873, 000	+12, 842, 000
Transition period		27, 290, 000	
NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES			
SALARIES AND EXPENSES			
Endowment for the arts	67, 250, 000	74, 500, 000	+7, 250, 000
Transition period		[11] 33, 750, 000	
Endowment for the humanities	67, 250, 000	74, 500, 000	+7, 250, 000
Transition period		21, 375, 000	
Administrative expenses	10, 500, 000	11, 000, 000	+500, 000
Transition period		2, 750, 000	
Subtotal, salaries and expenses	145, 000, 000	160, 000, 000	+13, 000, 000
Transition period		57, 875, 000	

See footnotes at end of table, p. X.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1975 AND THE BUDGET ESTIMATES FOR 1976 AND THE TRANSITION PERIOD—Continued

[NOTE.—All amounts are in the form of "appropriations" unless otherwise indicated.]

Agency and item (1)	New budget (obligational) authority appropriated, 1975 (enacted to date) (2)	Estimate of new (obligational) authority, 1976 and the transition period [1] (3)	Budget estimate, 1976, compared with 1975 appropriations (4)
TITLE II—RELATED AGENCIES—Continued			
MATCHING GRANTS			
Endowment for the arts (indefinite)	7,500,000	7,500,000	
Transition period		500,000	
Endowment for the humanities (indefinite)	$6,500,000	$7,500,000	+$1,000,000
Transition period		500,000	
Subtotal, matching grants	14,000,000	15,000,000	+1,000,000
Transition period		1,000,000	
Total, National Foundation on the Arts and the Humanities	159,000,000	175,000,000	+16,000,000
Transition period		58,875,000	
COMMISSION OF FINE ARTS			
Salaries and expenses	171,000	200,000	+29,000
Transition period		45,000	
PENNSYLVANIA AVENUE DEVELOPMENT CORPORATION			
Salaries and expenses	824,000	1,256,000	+432,000
Transition period		314,000	
NATIONAL CAPITAL PLANNING COMMISSION			
Salaries and expenses	1,777,000	1,895,000	+118,000
Transition period		424,000	
AMERICAN REVOLUTION BICENTENNIAL ADMINISTRATION			
Salaries and expenses	9,686,000	10,000,000	+314,000
Transition period		1,876,000	
FRANKLIN DELANO ROOSEVELT MEMORIAL COMMISSION			
Salaries and expenses			
Transition period		6,000	
JOINT FEDERAL-STATE LAND USE PLANNING COMMISSION FOR ALASKA			
Salaries and expenses	693,000	708,000	+15,000
Transition period		120,000	
Total, new budget (obligational) authority, Related Agencies	1,567,875,310	1,663,110,000	+95,234,690
Transition period		497,027,000	
Consisting of—			
Appropriations	1,567,875,310	1,663,110,000	+95,234,690
Transition period		497,027,000	
Definite appropriations	(1,551,754,310)	(1,643,575,000)	(+91,820,690)
Transition period		(493,815,000)	
Indefinite appropriations	(16,121,000)	(19,535,000)	(+3,414,000)
Transition period		(3,212,000)	
Memoranda—			
Appropriations to liquidate contract authority	(127,864,000)	(111,225,000)	(−16,639,000)
Transition period			
Total, new budget (obligational) authority *and* appropriations to liquidate contract authority	(1,695,739,310)	(1,774,335,000)	(+78,595,690)
Transition period		(497,027,000)	
RECAPITULATION			
Grand total, new budget (obligational) authority, all titles	$3,768,715,310	$4,025,275,000	+$256,559,690
Transition period		1,166,217,900	
Consisting of—			
Appropriations	3,768,715,310	4,025,275,000	+256,559,690
Transition period		1,166,217,900	
Definite appropriations	(3,378,565,310)	(3,612,590,000)	(+234,024,690)
Transition period		(1,063,807,000)	
Indefinite appropriations	(390,150,000)	(412,685,000)	(+22,535,000)
Transition period		(102,410,900)	
Memoranda—			
Appropriations to liquidate contract authority	(217,460,000)	(221,433,000)	(+3,973,000)
Transition period		(38,521,000)	
Grand total, new budget (obligational) authority *and* appropriations to liquidate contract authority	(3,986,175,310)	(4,246,708,000)	(+260,532,690)
Transition period		(1,204,738,900)	

[1] Public Law 93-344 changed the fiscal year to Oct. 1 to Sept. 30 and establishes the transition period as July 1, 1976 to September 30, 1976.

[2] Includes $12,400,000 transferred from the Office of Coal Research, "Salaries and expenses," fiscal year 1975.

[3] In fiscal year 1976 the Office of Water Resources Research and Saline Water Conversion were combined to form the Office of Water Research and Technology.

[4] Includes $1,650,000 transferred from the Office of Coal Research, "Salaries and expenses," fiscal year 1975.

[5] Excludes $67,108,300 in 1975 for activities transferred to "Operating expenses," Energy Research and Development Administration, pursuant to Public Law 93-438.

[6] Excludes $1,285,000 in 1975 for activities transferred to "Salaries and expenses," Federal Energy Administration.

[7] Excludes $85,000 in 1975 for activities transferred to "Salaries and expenses," Federal Energy Administration.

[8] Includes $728,737,000 transferred from the Office of Coal Research, "Salaries and expenses," and $68,700,000 transferred from Bureau of Mines, "Mines and minerals," fiscal year 1975.

[9] Includes $12,930,000 transferred from the Office of Coal Research, "Salaries and expenses," fiscal year 1975.

[10] Includes $60,930,000 transferred from Fuel Allocation, Oil and Gas Programs, "Salaries and expenses"; $38,875,000 from Office of the Secretary, "Energy conservation and analysis"; $10,000,000 from Federal Energy Office, "Salaries and expenses"; $1,285,000 from Office of the Solicitor, "Salaries and expenses"; and $85,000 from Office of the Secretary "Salaries and expenses."

[11] Includes $17,350,000 not contained in fiscal year 1976 budget. Budget amendment pending.

Outlays by Appropriation for Fiscal Years 1972 through 1976

Appropriation	1972	1973	Actual 1974	Estimated 1975	Estimate 1976
LAND AND WATER RESOURCES					
Bureau of Land Management					
Management of Lands and Resources	$ 89,802,975	$ 95,477,738	$$105,824,785	$150,947,000	$176,653,000
Construction and Maintenance	3,659,145	5,574,101	6,110,805	8,165,000	8,935,000
Public Land Development Roads and Trails	3,671,480	3,517,744	3,176,384	4,070,000	4,683,000
Oregon and California Grant Lands	20,521,041	20,599,029	20,058,415	26,639,000	31,436,000
Range Improvements	2,377,051	2,617,985	2,924,609	4,278,000	5,200,000
Recreation Development and Operation of Recreation Facilities	--	--	145,875	210,000	260,000
Subtotal, Items in Appropriation Bill	120,031,692	127,786,597	138,240,873	194,309,000	227,167,000
Miscellaneous Permanent Appropriations	90,328,856	97,546,087	107,762,078	163,050,000	197,510,000
Trust Funds	539,193	502,313	496,237	647,000	640,000
Supplementals - Existing Legislation					
Management of Lands and Resources Firefighting	--	--	--	19,450,000	500,000
Subtotal, Forecasted Supplementals	--	--	--	19,450,000	500,000
TOTAL, Bureau of Land Management	210,899,741	225,834,997	246,499,188	377,456,000	425,817,000
Office of Saline Water					
Saline Water Conversion	28,808,530	Merged with Office of the Secretary in fiscal year 1973 and 1974 and with the Office of Water Research and Technology in 1974, 1975 and 1976			
Salaries and Expenses					
Operation and Maintenance					
Construction, Operation and Maintenance					
Prototype Desalting Plant	102,094				
Advances and Reimbursements					
Consolidated Working Fund	-44,478				
Subtotal, Items in Appropriation Bill	28,866,146	--	--	--	--
Trust Funds	3,966,100	--	--	---	--
TOTAL, Office of Saline Water	32,832,246	--	--	--	--

Outlays by Appropriation for Fiscal Years 1972 through 1976

Appropriation	1972	1973	Actual 1974	Estimated 1975	Estimate 1976
LAND AND WATER RESOURCES CONTD.					
Office of Water Resources Research					
Salaries and Expenses, in Appropriation Bill -- TOTAL	13,644,362	13,969,852	Merged with the Office of Saline Water into Office of Water Research and Technology		
Office of Water Research and Technology					
Salaries and Expenses -- Total in Appropriation Bill	--	--	26,610,162	23,492,000	19,070,000
Consolidated Working Fund	--	--	155,564	85,000	--
Trust Fund	--	--	-172,098	10,000	--
TOTAL, Office of Water Research and Technology	--	--	26,593,628	23,587,000	19,070,000
TOTAL, LAND AND WATER RESOURCES	257,376,349	239,804,849	273,092,816	401,043,000	444,887,000
FISH AND WILDLIFE AND PARKS					
Bureau of Outdoor Recreation					
Salaries and Expenses	3,910,699	4,116,307	4,384,632	5,365,000	5,563,000
Land and Water Conservation	189,581,133	205,328,642	248,488,010	256,000,000	292,000,000
Subtotal, Items in Appropriation Bill	193,491,832	209,444,949	252,872,642	261,365,000	297,563,000
Consolidated Working Fund	20,113	-105,308	96,985	--	--
Trust Funds, Contributed Funds	448	563	--	--	--
TOTAL, Bureau of Outdoor Recreation	193,512,393	209,340,204	252,969,627	261,365,000	297,563,000
U. S. Fish and Wildlife Service (Formerly Bureau of Sport Fisheries and Wildlife)					
Resources Management	68,010,120	73,404,477	83,307,402	100,346,000	107,143,000
Construction and Anadromous Fish	7,211,675	7,428,171	9,025,703	11,475,000	9,390,000
Subtotal, Items in Appropriation Bill	75,221,795	80,832,648	92,333,105	111,821,000	116,533,000

Outlays by Appropriation for Fiscal Years 1972 through 1976

Appropriation	1972	1973	Actual 1974	Estimated 1975	Estimate 1976
FISH AND WILDLIFE AND PARKS CONTD.					
Migratory Bird Conservation Account	14,018,700	12,246,281	12,543,857	17,632,000	14,000,000
Miscellaneous Appropriations	53,281,584	56,600,279	55,219,000	67,777,000	71,600,000
Subtotal, Permanents	67,300,284	68,846,560	67,762,857	85,409,000	85,600,000
Trust Funds (Contributed Funds)	1,454,551	1,720,565	1,595,000	1,700,000	1,800,000
Intragovernmental Funds:					
Consolidated Working Fund	209,762	241,287	233,137	100,000	100,000
TOTAL, U.S. Fish and Wildlife Service	144,186,392	151,641,060	161,924,099	199,030,000	204,033,000
National Park Service					
Management and Protection	--	--	--	--	--
Maintenance and Rehabilitation of Physical Facilities	--	--	--	--	--
General Administrative Expenses	--	--	--	--	--
Preservation of Historic Properties	6,788,883	7,277,286	9,193,373	15,044,000	16,921,000
Operation of the National Park System	122,781,646	160,878,971	170,889,904	212,120,000	229,594,000
Road Construction (Liquidation of Contract Authority)	25,096,690	16,352,355	16,172,167	26,026,000	38,820,000
Planning and Construction	29,080,359	20,789,000	39,778,440	65,351,000	54,080,000
John F. Kennedy Center for the Performing Arts	--	1,727,195	2,130,797	2,432,000	2,517,000
Planning, Development and Operation of Recreation Facilities	--	--	10,458,335	18,728,000	13,500,000
Subtotal, Items in Appropriation Bill	183,747,578	207,024,807	248,623,016	339,701,000	355,432,000
Permanent Appropriations					
Operation, Management, Maintenance and Demolition of Federally Acquired Properties, Indiana National Park	--	7,900	--	36,000	--
Education Expenses, Children of Employees, Yellowstone National Park	169,626	313,980	229,150	229,000	275,000
Payment of tax losses on land acquired for Grand Teton National Park	21,091	21,282	20,711	25,000	25,000
Subtotal, Miscellaneous Permanent Appropriations	190,717	343,162	249,861	290,000	300,000

Outlays by Appropriation for Fiscal Years 1972 through 1976

Appropriation	1972	1973	Actual 1974	Estimated 1975	Estimate 1976
FISH AND WILDLIFE AND PARKS Contd.					
National Park Service Contd.					
Trust Funds:					
National Park Service, Donations	1,862,051	1,614,705	1,439,866	2,898,000	2,998,000
Advances from District of Columbia	330,378	85,231	--	100,000	--
Preservation, birthplace of Abraham Lincoln	9,467	9,673	8,240	2,000	2,000
Jefferson National Expansion Memorial, Contributions	552,412	44,717	--	--	--
Subtotal, Trust Funds	2,754,308	1,754,326	1,448,106	3,000,000	3,000,000
Advancements and Reimbursements	16,390	--	--	--	--
Consolidated Working Fund	--	-197,708	162,489	--	--
TOTAL, National Park Service	186,708,993	208,924,587	250,483,472	342,991,000	358,732,000
TOTAL, FISH AND WILDLIFE AND PARKS	524,407,778	569,905,851	665,377,198	803,386,000	860,328,000

Outlays by Appropriation for Fiscal Years 1972 through 1976

Appropriation	1972	1973	Actual 1974	Estimated 1975	Estimate 1976
ENERGY AND MINERALS					
Geological Survey					
Surveys investigations and research (appropriations bill)	127,479,603	139,304,667	177,638,972	238,029,000	256,778,000
Miscellaneous permanent appropriation	--	--	--	--	--
Consolidated Working Fund	-304,170	-865,688	723,731	--	--
TOTAL, Geological Survey	127,175,433	138,438,979	178,362,703	238,029,000	265,778,000
Bureau of Mines					
Mines and Minerals	123,359,000	81,802,000	82,712,000	99,971,000	138,337,000
Miscellaneous Appropriations (Solid Waste Disposal and Drainage of Anthracite Mines)	316,000	90,000	87,000	200,000	200,000
Public enterprise Funds:					
Helium Fund (Borrowing Authority)	42,296,000	-1,181,000	-1,616,000	-86,000	487,000
Subtotal, Items in Appropriation Bill	165,971,000	80,711,000	81,183,000	100,085,000	139,024,000
Trust Funds	1,430,000	649,000	423,000	497,000	485,000
Consolidated Working Fund	158,000	2,474,000	-300,000	150,000	150,000
TOTAL, Bureau of Mines	167,559,000	83,834,000	81,306,000	100,732,000	139,659,000
Mining Enforcement and Safety Administration					
Salaries and expenses	--	53,060,000	58,804,000	73,789,000	79,402,000
Consolidated Working Fund	--	175,000	173,000	(Trust) 139,000	--
TOTAL, Mining Enforcement and Safety Administration	--	53,235,000	58,977,000	74,018,000	79,402,000

Outlays by Appropriation for Fiscal Years 1972 through 1976

Appropriation	1972	1973	Actual 1974	Estimated 1975	Estimate 1976
ENERGY AND MINERALS Contd.					
Office of Coal Research					
Salaries and Expenses in Appropriation Bill	15,761,392	33,033,640	Transferred to Energy Research and Development Administration		
Trust Funds	2,118,972	3,471,066			
TOTAL, Office of Coal Research	17,880,364	36,504,706			
Fuel Allocation, Oil and Gas Program					
Salaries and Expenses, in Appropriation Bill	1,451,788	1,604,373	Transferred to Federal Energy Administration		
Proposed Supplemental - Existing legislation	--	--			
TOTAL, Fuel Allocation, Oil and Gas Program	1,451,788	1,604,373			
TOTAL, ENERGY AND MINERALS	314,066,585	313,617,058	318,645,703	412,779,000	484,839,000
Bureau of Indian Affairs					
Education and Welfare Services	267,435,058	292,031,229	309,483,968	--	--
Resources Management	78,905,000	76,629,057	87,068,801	--	--
Operation of Indian Programs	--	--	--	501,035,000	520,497,000
Construction	37,917,421	42,273,638	48,916,697	66,262,000	72,000,000
Roads Construction (Liquidation of Contract Authority)	27,260,786	40,630,645	55,604,002	64,000,000	68,001,000
General Administrative Expenses	6,147,510	6,182,918	4,832,739	--	--
Revolving Fund for Loans	-415,060	-733,443	-158,946	20,000,000	30,000,000
Indian Loan Guaranty and Insurance Fund	--	--	--	2,600,000	6,190,000
Subtotal, Items in Appropriation Bill	417,250,715	457,014,044	505,747,261	653,897,000	696,688,000
Claims and Treaty Obligations	12,849,285	50,284,757	70,294,817	72,285,000	72,200,000
Miscellaneous Permanent Appropriations	9,145,922	9,768,351	11,166,687	11,700,000	12,800,000
Alaska Native Claims	--	--	131,208,140	--	--
Tribal Funds (Trust)	144,149,443	192,825,718	129,003,506	154,000,000	151,479,000
Miscellaneous Trust Funds	3,223,127	4,402,271	3,444,074	4,000,000	4,000,000
Subtotal Trust Funds	147,372,570	197,227,989	263,655,720	158,000,000	155,479,000

Outlays by Appropriation for Fiscal Years 1972 through 1976

Appropriation	1972	1973	Actual 1974	Estimated 1975	Estimate 1976
Supplementals - Existing Legislation					
Operation of Indian Programs--					
Fire Suppression	--	--	--	5,000,000	--
Fuel, Oil and Gas	--	--	--	1,000,000	500,000
Subtotal, Forecasted Supplementals Existing Legislation	--	--	--	6,000,000	500,000
Consolidated Working Fund	437,557	-2,206,249	-4,375,053	--	--
Liquidation of Hoonah Housing Project Revolving Fund	1,399	4,143	2,523	13,000	13,000
TOTAL, Bureau of Indian Affairs	587,057,448	712,093,035	846,491,955	901,895,000	937,680,000
Office of Territories					
Administration of Territories	17,976,998	21,968,365	19,969,749	20,500,000	18,076,000
Trust Territory of the Pacific Islands	50,563,809	60,737,902	63,842,228	65,300,000	77,000,000
Micronesian War Claims	--	1,000	37,998	5,000,000	10,000,000
Subtotal, Items in Appropriation Bill	68,540,807	82,707,267	83,849,975	90,800,000	105,076,000
Internal Revenue Collections for the Virgin Islands (Permanent)	19,415,523	22,408,916	17,329,571	17,579,000	18,500,000
Office of Comptroller for Guam (permanent, special fund)	--	--	596,384	625,000	600,000
Proposed Supplemental - Proposed Legislation					
Trust Territory of the Pacific Islands	--	--	--	5,250,000	16,270,000
TOTAL, Office of Territories	87,956,330	105,116,183	101,775,930	114,254,000	140,446,000
Office of the Solicitor					
Salaries and Expenses, in Appropriation Bill -- TOTAL	6,579,632	7,091,132	7,950,000	11,059,000	12,016,000

Outlays by Appropriation for Fiscal Years 1972 through 1976

Appropriation	1972	1973	Actual 1974	Estimated 1975	Estimate 1976
Office of the Secretary					
Salaries and Expenses	12,458,855	14,754,531	17,682,000	19,652,000	21,163,000
Departmental Operations	3,252,402	4,069,374	5,598,959	10,965,000	13,435,000
Special Foreign Currency Program					
Salaries and Expenses	228,867	356,308	617,393	400,000	1,400,000
Saline Water Research	--	27,229,691	To Office of Water Research and Technology		
Subtotal, Items in Appropriation Bill	15,940,124	46,409,904	23,898,352	31,017,000	35,998,000
Permanent Appropriation	--	24,895	37,415	25,000	25,000
Trust Funds	--	72,316	--	--	--
Working Capital Fund	-220,818	-267,408	-2,776,965	--	--
Consolidated Working Fund	-171,697	-343,968	-1,096,966	700,000	--
Forecast Supplemental (Proposed Legislation)					
Mined Area Protection -- TOTAL	--	--	--	2,000,000	12,000,000
TOTAL, Office of the Secretary[1/]	15,547,609	45,895,739	20,061,836	33,742,000	48,023,000
TOTAL, DEPARTMENT OF THE INTERIOR (Excludes Power Agencies)	1,792,991,731	1,993,523,847	2,233,395,438[2/]	2,678,158,000[2/]	2,928,219,000[2/]

1/ Excludes Underground Electric Power Transmission Research which is included in the Public Works Appropriation to to fiscal year 1973, then transferred to ERDA.

2/ Adjusted for funds transferred out to Federal Energy Administration and Energy Research and Development Administration.

Appropriations Compared with Receipts
(Exclusive of Trust Funds)

(In thousands of dollars)

Appropriations	1974 Actual	1975 Estimate	1976 Estimate
Annual Definite	2,162,498	2,892,803	3,006,774
Annual Indefinite	60,014	54,529	61,950
Permanent	223,386	291,308	328,316
Total	2,445,898	3,238,640	3,397,040
RECEIPTS			
Admission fees, concessions, and special benefit charges	13,723	18,107	21,483
Receipts from sale of refuges products	4,038	4,100	4,200
Grazing fees	12,578	13,855	15,264
Revenues, Oregon and California and Coos Bay Wagon Road lands	119,072	157,321	157,321
Sales of products	3,390	3,638	3,905
Mineral, oil and gas leasing, etc.	187,874	147,638	151,860
Receipts from mineral leasing, Outer Continental Shelf	6,748,394	2,600,000	8,000,000
Interest on and repayments to other funds	19,176	65,394	24,278
Revenues from Colorado River Dam Fund project	6,152	5,050	6,575
Collections, Reclamation Fund			
Bureau of Reclamation:			
Sale of power and other utilities	105,079	99,776	101,191
Other receipts	23,837	42,706	52,456
Bonneville Power Administration:			
Sale of Electric energy	--	6,200	6,800
Bureau of Land Management:			
Receipts from mineral leasing, public lands	71,039	150,500	153,100
Other receipts	7,022	11,375	11,275
Total, Collections, Reclamation Fund	206,977	310,557	324,822
Sale of power and other utilities	18,895	18,385	18,370
Sale of Bonneville power	126,150	--	--
Sale of Southeastern power	36,833	36,000	41,000
Sale of Southwestern power	39,318	31,987	32,195
Sale of Eklutna, Alaska power	674	1,210	1,423
Sale and transmission of electric energy, Snettisham Project, Alaska	83	1,125	1,739
Sale of Falcon Dam, Texas power	308	263	263
Miscellaneous rentals, fees, and permits	4,022	14,264	18,656
Collections for services to Indians	13,489	15,464	16,313
Recoveries and refunds	2,033	2,126	2,131

Appropriations Compared with Receipts
(Exclusive of Trust Funds)

Continued
(In thousands of dollars)

Appropriations	1974 Actual	1975 Estimate	1976 Estimate
Sale of Public lands, buildings, and other property	1,652	2,670	3,205
Receipts, Land and Water Conservation Fund	51	26	31
Unclassified receipts	1,773	1,277	1,294
Total Proprietary Receipts	7,566,655	3,462,657	8,846,328
Collected by Interior not deducted in Printed Budget:			
Governmental receipts	28,531	37,074	39,816
Interest on loans and advances	14,410	14,781	14,390
Collected by other Federal Agencies:			
Receipts, Land and Water Conservation Funds	56,036	76,474	76,269
Receipts, Federal Aid in Fish Restoration and Management	15,539	18,189	18,600
Receipts, Federal Aid in Wildlife Restoration	49,800	56,855	57,700
Internal Revenue Collections for Virgin Islands	17,479	18,500	19,500
Total Receipts	7,748,450	3,672,330	9,072,603
Net Difference			
Appropriations compared with total receipts	-5,302,552	-433,690	-5,675,563

Excludes Bureau of Reclamation and Power Marketing Agencies

Appropriations	1974 Actual	1975 Estimate	1976 Estimate
Annual Definite	1,593,548	2,292,433	2,401,993
Annual Indefinite	60,014	54,529	61,950
Permanent	218,024	287,938	325,316
Total	1,871,586	2,634,900	2,789,259
RECEIPTS			
Admission fees and concessions	13,722	18,106	21,482
Receipts from sale of refuge products	4,038	4,100	4,200
Grazing fees	12,578	13,855	15,264
Revenue, Oregon and California and Coos Bay Wagon Road Lands	119,072	157,321	157,321
Sale of products	3,372	3,620	3,888
Mineral, oil and gas leasing, etc.	187,874	147,638	151,860
Receipts, mineral leasing, Outer Continental Shelf	6,748,394	2,600,000	8,000,000
Interest on and repayments to other funds	14,197	59,112	18,407

Appropriations Compared with Receipts
(Exclusive of Trust Funds)

(In thousands of dollars)

Excludes Bureau of Reclamation and Power Marketing Agencies

CONTINUED

Collections, Reclamation Fund:			
Bureau of Land Management:			
Receipts from mineral leasing public lands ...	71,039	150,500	153,100
Other Receipts	7,022	11,375	11,275
Total Collections, Reclamation Fund	78,061	161,875	164,375
Miscellaneous rentals, fees, and permits	3,224	13,465	17,857
Collections and services to Indians	13,489	15,464	16,313
Recoveries and refunds	1,980	2,090	2,095
Sale of public lands, buildings, and other property	766	1,868	2,403
Receipts, Land and Water Conservation Fund	51	26	31
Unclassified receipts	649	188	190
Total, Proprietary Receipts	7,201,467	3,198,728	8,575,686
Collected by Interior but not deducted in Printed Budget:			
Governmental Receipts	28,531	37,074	39,816
Collected by other Federal Agencies:			
Receipts, Land and Water Conservation Fund	56,036	76,474	76,269
Receipts, Federal Aid in Fish Restoration and Management	15,539	18,189	18,600
Receipts, Federal Aid in Wildlife Restoration	49,800	56,855	57,700
Internal Revenue Collection for Virgin Islands	17,479	18,500	19,500
Total Receipts	7,368,852	3,405,820	8,787,571
Net Difference			
Appropriations compared with receipts	-5,497,266	-770,920	-5,998,312

Appropriations Compared with Receipts
Bureau of Reclamation and Power Marketing Agencies
(Exclusive of Trust Funds)

(In thousands of dollars)

Appropriations	1974 Actual	1975 Estimate	1976 Estimate
Annual Definite	568,950	600,370	604,781
Permanent	5,362	3,370	3,000
Total	574,312	603,740	607,781
RECEIPTS			
Admission fees and concessions	1	1	1
Sale of products	18	18	17
Interest on and repayments to other funds	4,979	6,282	5,871
Revenues from Colorado River Fund Project	6,152	5,050	6,575
Collections, Reclamation Fund:			
Bureau of Reclamation:			
Sale of power and other utilities	105,079	99,776	101,191
Other receipts	23,837	42,706	52,456
Bonneville Power Administration:			
Sale of electric energy	--	6,200	6,800
Total Collection, Reclamation Fund	128,916	148,682	160,447
Sale of power and other utilities	18,895	18,385	18,370
Sale of Bonneville power	126,150	--	--
Sale of Southeastern power	36,833	36,000	41,000
Sale of Southwestern power	39,318	31,987	32,195
Sale of Eklutna, Alaska power	674	1,210	1,423
Sale of transmission electric energy, Snettisham Project, Alaska	83	1,125	1,739
Sale of Falcon Dam, Texas power	308	263	263
Miscellaneous rentals, fees and permits	798	799	799
Sale of public lands, buildings and other property	886	802	802
Recoveries and refunds	53	36	36
Unclassified receipts	1,124	1,089	1,104
Total Proprietary Receipts	365,188	251,729	270,642
Collected by Interior, not deducted in Printed Budget:			
Interest on loans and advances	14,410	14,781	14,390
Total Receipts	379,598	266,510	285,032
Net Difference			
Appropriations compared with total receipts	194,714	337,230	322,749

Analysis of Permanent Positions, Fiscal Years 1974-1976
Other than Reclamation and Power Marketing Agencies

Bureau or Office and Appropriation Title	Permanent Positions in 1976 Budget			
	1974	1975	1976	Increase or Decrease (-)
LAND AND WATER RESOURCES				
Bureau of Land Management				
Management of lands and resources	3,353	4,064	4,044	-20
Construction and maintenance	97	107	107	--
Public lands development roads and trails (Liquidation of contract authority)	72	72	72	--
Oregon and California grant lands	566	609	771	162
Allocation to other agencies	-115	-115	-115	--
Net, Total	451	494	656	162
Recreation development and operation of recreation facilities	6	6	6	--
Range improvements	46	46	46	--
Other funds	218	221	221	--
Allocation to other agencies	-29	-29	-29	--
Net Total	189	192	192	--
Total, Bureau of Land Management	4,214	4,981	5,123	142
Office of Water Research & Technology				
Salaries and expenses	102	79	64	-15
TOTAL, LAND AND WATER RESOURCES	4,316	5,060	5,187	127
FISH AND WILDLIFE AND PARKS				
Bureau of Outdoor Recreation				
Salaries and expenses	219	227	227	--
Land and Water Conservation Fund	839	854	848	-6
Allocations to other bureaus and agencies	-543	-558	-571	-13
Net, Total	296	296	277	-19
Subtotal	515	523	504	-19
Other funds	21	19	19	--
Total, Bureau of Outdoor Recreation	536	542	523	-19
Fish and Wildlife Service				
Resource management	3,335	3,421	3,492	-71
Construction and anadromous fish	88	88	88	--
Migratory bird conservation account	175	164	164	--
Subtotal	3,598	3,673	3,744	71
Other funds	651	815	844	29
Total, Fish and Wildlife Service	4,249	4,488	4,588	100
National Park Service				
Operation of the National Park System	6,766	7,057	7,119	62
Planning and construction	415	438	426	-12
Road construction (Liquidation of contract authority)	183	193	193	--
Allocations to other agencies	-57	-57	-57	--
Net, Total	126	136	136	--
Preservation of historic properties	139	147	147	--
John F. Kennedy Center for the performing Arts	87	87	87	--
Planning, development and operation of recreation facilities	195	195	195	--
Subtotal	7,728	8,060	8,110	50
Other funds	436	436	436	--
Total, National Park Service	8,164	8,496	8,546	50
TOTAL, FISH AND WILDLIFE AND PARKS	12,949	13,526	13,657	131

Analysis of Permanent Positions, Fiscal Years 1974-1976

Bureau or Office and Appropriation Title	Permanent Positions in 1976 Budget			
	1974	1975	1976	Increase or Decrease (-)
ENERGY AND MINERALS				
Geological Survey				
Surveys, investigations and research ...	5,964	6,736	6,986	250
Other funds	2,393	2,263	2,238	-25
Total, Geological Survey	8,357	8,999	9,224	225
Bureau of Mines				
Mines and minerals	2,429	2,475	2,535	60
Helium fund	263	264	264	--
Subtotal	2,692	2,739	2,799	60
Other funds	115	175	175	--
Total, Bureau of Mines	2,807	2,914	2,974	60
Mining Enforcement and Safety Administration				
Salaries and expenses	2,810	2,940	3,152	212
TOTAL, ENERGY AND MINERALS	13,974	14,853	15,350	497
Bureau of Indian Affairs				
Operation of Indian programs	14,1.8	13,721	13,721	--
Construction	261	271	303	32
Allocation to another bureau	-104	-114	-146	-32
Net, Total	157	157	157	--
Road construction (Liquidation of contract authority)	486	472	472	--
Allocation to other agencies	-29	-31	-31	--
Net, Total	457	441	441	--
Other funds	602	637	637	--
Total, Bureau of Indian Affairs	15,394	14,956	14,956	--
Office of Territorial Affairs				
Administration of Territories	12	12	15	3
Trust Territory of the Pacific Islands .	171	160	148	-12
Subtotal	183	172	163	-9
Other funds	53	62	62	--
Total, Office of Territorial Affairs	236	234	225	-9
SECRETARIAL OFFICES				
Office of the Solicitor				
Salaries and expenses	391	428	453	25
Office of the Secretary				
Salaries and expenses	683	701	706	5
Departmental operations	253	304	354	51
Subtotal	936	1,005	1,060	55
Other funds	302	314	279	-35
Total, Office of the Secretary	1,238	1,319	1,339	20
TOTAL, SECRETARIAL OFFICES	1,629	1,747	1,792	45
GRAND TOTAL	48,498	50,376	51,167	791
Annual Appropriations:				
Gross positions	44,584	46,338	47,205	867
Allocations to other bureaus and agencies	-877	-904	-949	-45

NOTE: "Other funds" includes permanent appropriations; trust funds; advances and reimbursements; revolving and management funds; and allocations from other bureaus and agencies.

Permanent Appropriations, Fiscal Years 1974, 1975, and 1976

Bureau or Office and Appropriation Title	1974 Actual	1975 Estimate	1976 Estimate
LAND AND WATER RESOURCES			
Bureau of Land Management			
Leasing of grazing lands	$ 621	$ 2,000	$ 2,000
Payment to:			
Oklahoma (royalties)	177	--	--
Coos and Douglas Counties, Oregon from receipts Coos Bay Wagon grant lands	675,966	675,000	675,000
Counties, Oregon & Calif. grant lands	47,190,752	57,789,000	76,250,000
States (proceeds of sales)	431,801	431,000	1,457,000
States from grazing receipts, etc., public lands within grazing districts	638,838	731,000	856,000
States from grazing receipts, etc., public lands within grazing districts	622,676	760,000	728,000
States from grazing receipts, etc., public lands within grazing districts miscellaneous	4,185	4,000	4,000
States from receipts under Mineral Leasing Act	56,746,412	100,383,000	115,200,000
Counties, national grasslands	251,573	275,000	338,000
Expenses, Public Land Administration Act	1,784,304	2,000,000	2,000,000
Total, Bureau of Land Management	108,347,305	163,050,000	197,510,000
Bureau of Reclamation			
Colorado River Dam Fund, Boulder Canyon Project:			
Payment of interest on advance from the Treasury	1,971,947	2,400,000	2,100,000
Payment to States of Arizona & Nevada	600,000	600,000	600,000
Operation, Maintenance and replacement of project works, North Platte project (Gering and Ft. Laramie, Goshen and Pathfinder Irrigation Districts)	18,037	10,000	10,000
Payments to Farmers' Irrigation Districts (North Platte project, Nebraska-Wyoming)	8,000	8,000	8,000
Payments to local units, Klamath Reclamation Area	124,720	135,000	135,000
Refunds and returns	--	147,000	147,000
Total, Bureau of Reclamation	2,722,704	3,300,000	3,000,000
Total, Land and Water Resources	111,070,009	166,350,000	200,510,000
FISH AND WILDLIFE AND PARKS			
Fish and Wildlife Service			
Migratory Bird Conservation account	10,219,685	12,000,000	12,000,000
Federal aid in fish restoration and mgmt.	15,539,348	18,188,692	18,600,000
Federal aid in wildlife restoration	49,800,268	56,854,672	57,700,000
National wildlife refuge fund	4,037,941	4,100,000	4,200,000
Proceeds from sales, water resources development projects	4,801	15,000	15,000
Total, Fish and Wildlife Service	79,602,043	91,158,364	92,515,000
National Park Service			
Educational expenses, children of employees Yellowstone National Park	230,969	265,000	275,000
Payment for tax losses on land acquired for Grand Teton National Park	20,105	25,000	25,000
Operation, Management, Maintenance, and Demolition of Federal acquired properties, Independence National Historical Park	29,830	--	--
Total, National Park Service	280,904	290,000	300,000
Total, Fish and Wildlife and Parks	79,882,947	91,448,364	92,815,000

Permanent Appropriations, Fiscal Years 1974, 1975, and 1976

Bureau or Office and Appropriation Title	1974 Actual	1975 Estimate	1976 Estimate
ENERGY AND MAINERALS			
Geological Survey			
Payment from proceeds, sale of water	$ 1,113	--	--
Bonneville Power Administration			
Continuing fund	2,615,500	--	--
Southeastern Power Administration			
Continuing fund	23,761	--	--
Southwestern Power Administration			
Continuing fund	--	$ 70,000	--
Total, Energy and Minerals	2,640,374	70,000	--
Bureau or Indian Affairs			
Mineral income revenues, Alaska	--	2,000,000	$ 2,000,000
Claims and treaty obligations	294,500	280,000	200,000
Acquisition of lands and loans to Indians in Oklahoma Act of June 26, 1936	8,926	10,000	--
Operation and maintenance, Indian irrigation systems	6,361,418	6,500,000	5,816,000
Power systems, Indian irrigation projects	5,240,961	5,500,000	6,850,000
Indian Arts and Crafts Fund	20	--	--
Total, Bureau of Indian Affairs	11,905,825	14,290,000	14,866,000
Territorial Affairs			
Internal Revenue collections for Virgin Is.	17,478,607	18,500,000	19,500,000
Office of Comptroller for Guam	420,000	625,000	600,000
Total, Territorial Affairs	17,898,607	19,125,000	20,100,000
Office of the Secretary			
Litter prevention and cleanup	26,158	25,000	25,000
TOTAL, PERMANENT APPROPRIATIONS, DEPARTMENT OF THE INTERIOR OTHER THAN RECLAMATION AND POWER AGENCIES	218,061,955	287,938,364	325,316,000
TOTAL, RECLAMATION & POWER AGENCIES	5,361,965	3,370,000	3,000,000
GRAND TOTAL, DEPARTMENT OF THE INTERIOR	223,423,920	291,308,364	328,316,000
LAND AND WATER RESOURCES			
Bureau of Land Management			
Oregon and California grant lands	$29,307,159	$38,200,000	$38,200,000
Range improvements	3,242,109	4,187,000	5,450,000
Recreation development and operation of recreational facilities	165,000	242,000	300,000
Total, Bureau of Land Management	32,714,268	42,629,000	43,950,000
FISH AND WILDLIFE AND PARKS			
National Park Service			
Planning, development and operation of recreational facilities	27,300,000	11,900,000	18,000,000
TOTAL, DEPARTMENT OF THE INTERIOR OTHER THAN RECLAMATION AND POWER AGENCIES	60,014,268	54,529,000	61,950,000

Trust Funds, Fiscal Years 1974, 1975, and 1976

Bureau or Office and Appropriation Title	1974 Actual	1975 Estimate	1976 Estimate
LAND AND WATER RESOURCES			
Bureau of Land Management			
Contributed funds	$ 474,763	$ 490,000	$ 490,000
Expenses, public survey work	146,763	159,000	159,000
Trustee funds, Alaska Townsites	10,045	1,000	1,000
Total, Bureau of Land Management	631,571	650,000	650,000
Office of Water Research and Technology			
Cooperation with foreign agencies	-39,000	-7,000	--
(Liquidation of contract authority)	(58,663)	(7,000)	--
Bureau of Reclamation			
Reclamation Trust Funds	2,162,050	8,274,000	11,385,000
Total, Land and Water Resources Other Than Reclamation	592,571	643,000	650,000
Total, Land and Water Resources	2,754,621	8,917,000	12,035,000
FISH AND WILDLIFE AND PARKS			
Fish and Wildlife Service			
Contributed funds	1,578,000	1,663,000	2,063,000
National Park Service			
Donations	2,354,687	2,897,000	2,997,000
Preservation, birthplace of Abraham Lincoln	2,540	3,000	3,000
Jefferson National Expansion Memorial contributions	935,000	--	--
Advances from District of Columbia	-591,570	100,000	--
Total, National Park Service	2,750,657	3,000,000	3,000,000
Total, Fish and Wildlife and Parks	4,328,657	4,663,000	5,063,000
ENERGY AND MINERALS			
Bonneville Power Administration			
Trust Fund	20,113,009	6,727,000	--
Bureau of Mines			
Contributed funds	446,000	485,000	485,000

Trust Funds, Fiscal Years 1974, 1975, and 1976

Bureau or Office and Appropriation Title	1974 Actual	1975 Estimate	1976 Estimate
ENERGY AND MINERALS (Cont'd)			
Mining Enforcement and Safety Administration			
Contributed Funds	$ --	$ 139,000	$ --
Total, Energy and Minerals	20,559,009	7,351,000	485,000
Total, Energy and Minerals Other than Bonneville Power Administration	446,000	624,000	485,000
Bureau of Indian Affairs			
Tribal Funds:			
Appropriations:			
Definite	2,984,143	3,000,000	3,000,000
Indefinite	29,810,275	13,897,800	25,597,800
Permanent	129,634,936	119,100,000	88,000,000
Total, Tribal Funds	162,429,354	135,997,800	116,597,800
Indian moneys proceeds of labor, agencies, schools, etc.	5,311,961	5,200,000	5,200,000
Funds contributed for Indian Projects	460,094	400,000	400,000
Bequest of George C. Edgeter, for relief of indigent Indians	2,135	2,200	2,200
Total, Miscellaneous	5,774,190	5,602,200	5,602,200
Total, Bureau of Indian Affairs	168,203,544	141,600,000	122,200,000
TOTAL, DEPARTMENT OF THE INTERIOR OTHER THAN RECLAMATION AND POWER AGENCIES	173,570,772	147,530,000	128,398,000
GRAND TOTAL, DEPARTMENT OF THE INTERIOR	195,845,831[a/]	162,531,000	139,783,000

a/ Excludes $70,000,000 Alaska Native Fund.

Permanent Budget Authority
Fiscal Year 1975-1976

Agency and Item	New Budget (obligational) authority 1975	Budget Estimate of new obligational authority 1976
Department of the Interior -- Indefinite		
Payments to State and local Governments:		
Payments to States (proceeds of sales)	$ 431,000	$ 1,457,000
Payments to States from grazing receipts, public lands	1,495,000	1,588,000
Coos Bay Wagon Road grant lands, payments to Coos Bay and Douglas Counties, Oregon, in lieu of taxes	675,000	675,000
Oregon and California grant lands, payment to counties	57,789,000	76,250,000
Mineral leasing, payment to States	100,383,000	115,200,000
Payment to counties, national grasslands, Bureau of Land Management	275,000	338,000
Payment to counties, National Wildlife Refuge	2,500,000	2,600,000
Educational expenses children of employees, Yellowstone Nat'l Park	265,000	275,000
Payments to State of Wyoming in lieu of taxes on lands in Grand Teton Nat'l Park, National Park Service	25,000	25,000
Alaska Native Fund	2,000,000	2,000,000
Claim and treaty obligations, Bureau of Indian Affairs	280,000	200,000
Acquisition of lands and loans to Indians in Oklahoma, Act of June 26, 1936	10,000	--
Office of Comptroller for Guam	625,000	600,000
Internal Revenue collections for Virgin Islands, Territorial Affairs	18,500,000	19,500,000
Subtotal	185,253,000	220,708,000
Receipts applied to operations:		
Leasing of grazing lands	2,000	2,000
Expenses, Public Land Admin. Act	2,000,000	2,000,000
Migratory bird conservation fund	12,000,000	12,000,000
Management of national wildlife refuges & enforcement activities	900,000	600,000
Expenses, incident to sale of refuge products	700,000	1,000,000
Proceeds from sales, water resource development projects	15,000	15,000

Agency and Item	New Budget (obligational) authority 1975	Budget Estimate of new obligational authority 1976
Department of the Interior -- Indefinite (cont'd)		
Receipts applied to operations (cont'd):		
Operations and maintenance revenue, Indian irrigation systems	$ 6,500,000	$ 5,816,000
Power revenues, Indian irrigation projects	5,500,000	6,850,000
Litter prevention and clean-up	25,000	25,000
Subtotal	27,642,000	28,308,000
Mixed receipts:		
Federal aid in fish restoration mgmt.:		
Payments to States	16,776,442	17,187,750
Applied to operations	1,412,250	1,412,250
Federal aid in wildlife restoration:		
Payments to States	52,826,672	53,672,000
Applied to operations	4,028,000	4,028,000
Subtotal	75,043,364	76,300,000
Contract authority:		
Public lands development roads and trails	10,000,000	--
Land and water conservation, Bureau of Outdoor Recreation	30,000,000	30,000,000
Road construction, Nat'l Park Service	105,000,000	--
Helium Fund, Bureau of Mines	47,500,000	47,500,000
Road construction, Bureau of Indian Affairs	100,000	--
Subtotal	192,600,000	77,500,000
TOTAL, DEPARTMENT OF THE INTERIOR	480,538,364	402,816,000

New Budget Authority - Trust Funds
Fiscal Year 1975-1976

Agency and Item	New Budget (obligational) authority 1975	Budget Estimate of new obligational authority 1976
Department of the Interior -- Indefinite		
Deposits by individuals for surveying public lands	$159,000	$159,000
Administration and protection of grazing districts	490,000	490,000
Trustee funds, Alaska townsites, Bureau of Land Management	1,000	1,000
Contributed funds, Fish and Wildlife Service	1,663,000	2,063,000
Donations, National Park Service	2,897,000	2,997,000
Birthplace of Abraham Lincoln, preservation of, Nat'l Park Service	3,000	3,000
Advance from D. C. Government	100,000	--
Contributed Funds, Mining Enforcement and Safety Administration	139,000	--
Contributed funds, Bureau of Mines	485,000	485,000
Indian moneys, proceeds of labor, agencies, schools, etc.	5,200,000	5,200,000
Funds contributed for Indian projects	400,000	400,000
Bequest of George C. Edgeter, relief of indigent Indians	2,200	2,200
Miscellaneous trust funds of Indian tribes	135,997,800	116,597,800
Cooperation with foreign agencies, Office of Water Research and Technology	-7,000	--
TOTAL, DEPARTMENT OF THE INTERIOR	147,530,000	128,398,000

Permanent Budget Authority
Transition Period
July 1, 1976-Sept.30, 1976

Agency and Item	Amount
Department of the Interior -- Indefinite	
Payments to State and local Governments:	
Payments to States (proceeds of sales)	$2,016,000
Payments to States from grazing receipts, public lands	1,654,000
Oregon and California grant lands, payment to counties	76,250,000
Mineral leasing, payment to States	71,180,000
Payment to counties under National Refuge Fund	980,000
Educational expenses children of employees, Yellowstone National Park	55,000
Claim and treaty obligations, Bureau of Indian Affairs	200,000
Alaska Native Fund	41,000,000 a/
Office of Comptroller for Guam	185,000
Internal Revenue collections for Virgin Islands, Territorial Affairs	4,875,000
Subtotal	198,395,000
Receipts applied to operations:	
Expenses, Public Land Administration Act	500,000
Migratory bird conservation fund	800,000
Management of national wildlife refuges and enforcement activities	150,000
Expenses, incident to sale of refuge products	250,000
Operations and maintenance revenue, Indian irrigation systems	1,600,000
Power revenues, Indian irrigation projects	1,200,000
Litter prevention and clean-up	5,000
Subtotal	4,505,000
Mixed receipts:	
Federal aid in fish restoration management:	
Payments to States	4,500,000
Applied to operations	300,000
Federal aid in wildlife restoration:	
Payments to States	13,000,000
Applied to operations	900,000
Subtotal	18,700,000
TOTAL, DEPARTMENT OF THE INTERIOR	221,600,000

a/ Includes $40,000,000 for Alaska Native Claims.

51-957 O - 75 - pt. 3 - 3

New Budget Authority - Trust Funds
Transition Period
July 1, 1976-Sept.30, 1976

Agency and Item	Amount
Department of the Interior -- Indefinite	
Deposits by Individuals for surveying Public Lands	$50,000
Administration and protection of grazing districts	150,000
Contributed funds, Fish and Wildlife Service	620,000
Donations, National Park Service	749,000
Birthplace of Abraham Lincoln, preservation of, National Park Service	1,000
Contributed funds, Bureau of Mines	120,000
Indian moneys, proceeds of labor, agencies, schools, etc.	1,600,000
Funds contributed for Indian projects	100,000
Bequest of George C. Edgeter, relief of indigent Indians	1,100
Miscellaneous trust funds of Indian tribes	38,998,900
TOTAL, DEPARTMENT OF THE INTERIOR	42,390,000

S U M M A R Y

Appropriations for Research and Development by Activities
Fiscal Years 1974-1975-1976 and Comparison 1975 vs. 1976

(In thousands of dollars)

Bureau and Appropriation	Fiscal Year 1974 Actual	Fiscal Year 1975 Estimated	Fiscal Year 1976 Estimated	Increase + Decrease - 1975 vs. 1976
Bureau of Land Management				
Management of Lands and Resources	595	721	735	+14
Oregon and California Grant Lands	68	73	66	- 7
Subtotal, Bureau of Land Management	663	794	801	+ 7
Office of Water Research and Technology				
Salaries and Expenses:				
Assistance to States for institutes	5,640	5,730	5,730	--
Matching grants to institutes	3,000	3,000	3,000	--
Additional water resources research	3,170	3,970	5,074	+1,104
Technology development	2,027	3,864	1,390	-2,474
Scientific information center	934	940	980	+40
Administration	2,625	2,288	2,153	-135
Subtotal, Office of Water Research and Technology	17,396	19,792	18,327	-1,465
Bureau of Outdoor Recreation				
Salaries and Expenses (Planning and Research)	20	--	--	--
Fish and Wildlife Service				
Resource Management:				
Habitat preservation	3,010	3,060	4,193	+1,133
Wildlife resources	6,103	6,706	7,925	+1,219
Fishery resources	4,936	5,234	5,590	+356
Endangered species	2,239	2,885	4,234	+1,349
Construction and Anadromous Fish:				
Construction and rehabilitation	1,000	3,615	937	-2,678
Anadromous fish	350	350	350	--

(In thousands of dollars)

Bureau and Appropriation	Fiscal Year 1974 Actual	Fiscal Year 1975 Estimated	Fiscal Year 1976 Estimated	Increase + Decrease - 1975 vs. 1976
Fish and Wildlife Service Contd.				
Federal Aid in Fish Restoration and Management	3,025	3,525	3,525	--
Federal Aid in Wildlife Restoration	4,025	5,025	5,525	+500
Contributed Funds - (Trust Funds)	255	250	250	--
Subtotal, Fish & Wildlife Service	24,943	30,680	32,559	+1,879
Geological Survey				
Surveys, Investigations, and Research:				
Alaska pipeline related investigations	890	354	311	-43
Topographic surveys and mapping	1,292	1,400	1,400	--
Geologic and mineral resource surveys and mapping	42,206	78,996	82,115	+3,119
Water resources investigations	16,123	19,444	21,549	+2,105
Conservation of lands and minerals	2,600	3,665	4,800	+1,135
Land information and analysis	7,662	10,333	10,858	+525
Subtotal, Geological Survey	70,773	114,192	121,033	+6,841
Bureau of Mines				
Mines and Minerals:				
Metallurgy	15,922	20,108	26,976	+6,868
Mining	44,027	89,697	91,034	+1,337
Engineering, evaluation & demonstration	5,394	5,761	3,814	-1,947
Subtotal, Bureau of Mines	65,343	115,566	121,824	+6,258
Office of the Secretary				
Salaries and expenses (Special Foreign Currency Program)	670	192	1,714	+1,522
Departmental Operations	--	1,793	1,645	-148
Subtotal, Office of the Secretary	670	1,985	3,359	+1,374
TOTAL, Department of Interior except Reclamation and Power Marketing Bureaus	179,808	283,009	297,903	+14,894

DEPARTMENTAL SUMMARY

Funding for Energy Related Activities for the
Fiscal Years 1974, 1975 and 1976
(Obligations in thousands of dollars)

Category and Activities	F.Y. 1974	F.Y. 1975	F.Y. 1976	Increase + or Decrease - '76 over '75
I. Energy Research and Development	20,632	131,962	164,147	+32,185
a. Outer Continental Shelf:	(* 4,749)	(* 35,033)	(* 56,867)	(* +21,834)
* - Environmental Baseline Studies	500	24,357	48,771	+24,414
* - Geological Reconnaissance	4,249	10,676	8,096	-2,580
b. Onshore Oil and Gas	(1,281)	(4,973)	(6,600)	(+1,627)
c. Coal	(8,926)	(53,289)	(59,755)	(+6,466)
d. Geothermal	(2,961)	(9,660)	(10,479)	(+819)
e. Oil Shale	(434)	(8,792)	(10,533)	(+1,741)
f. Uranium/Thorium	(1,394)	(10,086)	(12,154)	(+2,068)
g. Transmission/Storage	( )	(5,900)	(2,750)	(-3,150)
h. Other	(887)	(4,229)	(5,009)	(+780)
II. Energy Leasing	27,082	54,689	67,595	+12,906
a. Outer Continental Shelf	(* 13,674)	(* 33,659)	(* 42,062)	(* +8,403)
* - Resource Classification	4,615	13,145	15,241	+2,096
* - Lease Administration	9,059	20,514	26,821	+6,307
b. Onshore Oil and Gas	(8,106)	(9,903)	(12,616)	(+2,713)
c. Coal	(2,610)	(5,355)	(6,808)	(+1,453)
d. Oil Shale	(1,400)	(2,100)	(1,885)	(-215)
e. Geothermal	(1,292)	(3,672)	(4,224)	(+552)
III. Generation and Power Marketing	303,471	390,163	456,635	+66,472
a. New Generation Construction	(81,124)	(113,051)	(113,752)	(+701)
b. Transmission Facilities Construction	(111,966)	(143,386)	(188,791)	(+45,405)
c. Operation and Maintenance	(110,381)	(133,726)	(154,092)	(+20,366)
IV. All Other	17,445	27,042	29,715	+2,673
a. Energy Data Collection	(4,500)	(3,000)	(3,000)	(--)
b. General Energy Planning	(3,787)	(6,239)	(6,541)	(+302)
c. Permit Administration	(* 9,158)	(* 17,803)	(* 20,174)	(+2,371)
* - Trans Alaska Pipeline	8,758	10,003	9,996	-7
* - Arctic Gas Lines Analysis	--	3,500	1,000	-2,500
* - Other	400	4,300	9,178	+4,878
Total, Energy Funding	368,630	603,856	718,092	+114,236

NEW SUBCOMMITTEE MEMBERS

Senator ROBERT C. BYRD. I'm delighted to have as new members of this subcommittee our majority leader, Mr. Mansfield, and Mr. Hollings. I'm a member of this subcommittee of some long standing and this is my first day acting as its new chairman.

I'd like to welcome you to membership on this subcommittee and if there is anything you would like to say at this point we would be glad for you to do so.

Senator MANSFIELD. Thank you, Mr. Chairman. I have nothing to say.

INTRODUCTION OF ASSOCIATES

Senator ROBERT C. BYRD. Mr. Secretary, if you will introduce those with you at the witness table, you may then proceed with your statement. I suggest you highlight it because we will print the full prepared statement in the record, or you may wish to read your full statement.

Secretary MORTON. Thank you, Mr. Chairman. First, on my extreme right, there is Curtis Bohlen, who is our Deputy Assistant Secretary for Fish and Wildlife and Parks; Jim Clarke, our Assistant Secretary for Administration; Frank Wiles, who has for a long time been associated with our budget activities; on my extreme left the Commissioner of Indian Affairs, Morry Thompson, and next to me is Jack Horton, our Assistant Secretary for Water and Land Resources.

PREPARED STATEMENT

I also have a prepared statement.

[The statement follows:]

Mr. Chairman:

Thank you for this opportunity to discuss the Department of the Interior's fiscal year 1976 budget request. I congratulate you on your assignment as Chairman and welcome the new members of the Subcommittee to these deliberations. This Committee has provided effective guidance and strong support to the many activities of the Department in the past and I hope we will continue to merit that support.

Our fiscal year 1976 appropriation request for the Interior and Related Agencies appropriations bill totals $2.4 billion which is an increase of $136 million over the comparable level for 1975. Within these amounts, the major increases are for

- improving the well-being of American Indians, and the peoples of our territories;

- operating our National Parks; and

- environmental studies and safeguards related to potential energy development.

Land and Water Resources

The appropriation request for Land and Water Resources activities included in this bill totals $263 million. Of this amount, the appropriation request for the Bureau of Land Management is $245 million, an increase of $35 million over the comparable 1975 amount.

The major share of the increase is for energy lease planning and operations -- almost $73 million is slated for this purpose, an increase of $31 million over 1975. This would provide:

- $58 million for OCS leasing, including:

  -- $45 million for major baseline and environmental monitoring studies. We will be conducting such studies in 13 major offshore basins, including three major basins on the Atlantic OCS, two in the Gulf of Mexico, one off Southern California, and seven off Alaska;

  -- $4 million for special environmental studies to fill data gaps; and

  -- $9 million for general investigations, research, lease planning and operations including development of environmental impact statements;

- nearly $15 million for onshore energy lease operations including oil and gas, coal, oil shale and geothermal leasing. $3.2 million of this amount is for site specific environmental analyses designed to develop the best set of rehabilitation stipulations.

In addition to energy leasing, the 1976 BLM request includes $18.8 million for energy related permit examination and administration

including $8.8 million for monitoring construction of the Trans-Alaska Pipeline.

Together with the lease management efforts of the Geological Survey and overseeing construction of the Trans-Alaska Pipeline, these programs are the major direct Federal effort to expand domestic energy production. Since the Federal Government has control over such a major share of potential domestic reserves -- especially in the case of OCS oil and gas and Western oil shale -- timely development of these resources is essential to achieving our National energy objectives. These reserves already provide 18 and 20 percent respectively of our oil and gas production and 24 million tons of coal.

The request for our new Office of Water Research and Technology is $18.3 million, a decrease of $1.5 million over the amount appropriated for 1975.

- The reduction stems from a reduced level of saline water research as we retrench to more basic and advanced research.

- The reduction is partially offset by an increase for water technology assessment and transfer activities.

- Grants to State water research institutes will continue at the 1975 level.

The Office of Water Research and Technology results from a merger of the Offices of Water Resources Research and Saline Water which was recommended by the National Water Commission in 1973.

Fish and Wildlife and Parks

The appropriation request for the Fish and Wildlife Service, the National Park Service and the Bureau of Outdoor Recreation totals $772 million.

We are again requesting $300 million for the Land and Water Conservation Fund which is administered by the Bureau of Outdoor Recreation. The request would provide:

- $175.8 million for State matching grants for outdoor recreation planning, land acquisition, and facilities development;

- $117.9 million for Federal land acquisition including

  -- $77.4 million for National Parks,

  -- $30 million for National Forests,

  -- $8.5 million for Wildlife Refuges, mostly related to protecting endangered species, and

  -- $2 million for National Rivers and Trails administered by the Bureau of Land Management.

Appropriations requested for the National Park Service total $347 million including:

- $250 million for operating the National Park System;
- $70 million for planning and construction; and
- $20 million for grants to the States and the National Trust for preservation of historic properties.

Park Construction funding is down $16 million from 1975 due largely to completion of funding for the Bicentennial. Funding for park operations is up $20 million with about $9 million of the increase slated for Bicentennial activities to commemorate the growth and development of our Nation, and the remainder for strengthening park management throughout the system.

For the Fish and Wildlife Service, we are requesting an appropriation of $119 million. Principal increases are:

- $3.8 million for energy related ecological investigations under their Biological Services program; and
- $1.7 million for preservation of endangered species.

These increases are largely offset by reduced amounts for hatchery construction.

As we develop our energy and other natural resources it is important that we not lose sight of the potential effects of these developments on fish and wildlife and their habitat. I am convinced that with proper advance planning and investigations as exemplified by the Biological Services program we can have both energy and a pleasing natural environment.

Energy and Minerals

The appropriation request for Energy and Minerals activities included in this bill -- covering our geologic, minerals resource and mine safety programs -- totals $495 million, an increase of $35 million over the comparable figure for 1975. Principal emphasis, of course, is on energy exploration, research, analysis and lease management with $153 million of the total slated for that purpose.

The request for the Geological Survey is $268 million, an increase of $14 million over 1975. The 1976 program includes,

- over a $9 million increase, for a total of $45.2 million for strengthening OCS and onshore mineral lease management;
- a $2.6 million increase for energy resource appraisal and related environmental geology -- bringing the total for that purpose up to over $48 million in 1976; and
- a $2.5 million increase for improving our minerals resource information system and appraising the mineral resources of potential wilderness areas. Nonenergy minerals information and resource appraisal work in the Geological Survey will total nearly $20 million in 1976.

The request for the Mining Enforcement and Safety Administration which enforces our mine health and safety laws and regulations totals $79.5 million, an increase of about $11 million over 1975. Principal 1976 changes for MESA's program include:

- stepping up mine inspections, particularly for metal and nonmetal mines; and

- increasing safety education and technical support staffing and funding.

The proposed 1976 appropriation for the Bureau of Mines is $144 million which is an increase of about $10 million over the comparable figure for 1975 after adjusting for the transfer of some energy research functions to the Energy Research and Development Administration. Our principal concern in developing the Bureau's 1976 program has been to improve coal mining productivity, health, and safety, and strengthen the Department's capability for resolving potential minerals shortage problems. Consequently we have planned increases for:

- improving mineral problem analysis capabilities;

- stepping up mine safety research; and

- expanding metallurgical research efforts for major minerals where future supplies could be disrupted or subjected to rapid price escalation. This effort includes $2 million for advanced design work based on several competing technologies in order to develop the best process for producing alumina from domestic ores.

Also included in the Mines budget is $5.3 million -- an increase of $4.2 million -- for our stack gas clean-up project using the very promising Bureau of Mines citrate process. The pilot-plant is scheduled to begin operations in 1977.

Indian Affairs

At these hearings last year, I indicated concern over our lack of progress in involving Indians in determining their own future. A major barrier to progress which I identified last year was a lack of adequate legal authority for tribes to assume managerial responsibility for Federal Indian programs. I believe the new Indian Self-Determination and Education Assistance Act signed January 4, now gives us the legal basis and mandate to accelerate the transfer of many Federal Indian program operations to Indians.

The 1976 Indian Affairs budget, which has been carefully developed with tribal participation at each step in the process, is also focused in this direction. The appropriation request for BIA, apart from the Revolving Fund for Loans, is $745 million -- an increase of $53 million over the comparable amount for 1975. Highlights of the BIA budget include:

- $15.6 million for the Indian Action Team program designed to conduct reservation improvement projects and simultaneously provide on-the-job training and tribal contracting and management experience;

- $11.2 million specifically earmarked to facilitate Indian contracting efforts;

- $70 million for the Alaska Native Claims Settlement Act payment, bringing the total appropriated for this purpose to $272.2 million;

- $12 million for the Revolving Fund for Loans, which, together with $38 million appropriated last year, will fully capitalize the $50 million authorized in the Indian Financing Act;

- $20 million for the loan guarantee and $10 million for the business development grant programs authorized last year;

- $66.7 million -- an increase of $7.2 million -- for Reservation road construction;

- $22.8 million for the Navajo Irrigation project, which includes funding for completion of the first segment of the system in 1976;

- an increase of $4 million for development of reservation resources including timber, agriculture, recreation, fishery, minerals and water resources.

Territories

The appropriation request for Territorial activities is $106 million which is $28.5 million over the 1975 request. Principal items include:

- $91 million for the Trust Territory of the Pacific with the increase tied largely to

  -- capital improvements in preparation for resolution of the future political status of Micronesia, and

  -- settlement of Micronesian War claims.

- $15 million for administration of Samoa and for the Guam economic development fund.

Mr. Chairman, that concludes my prepared remarks. I will be happy to answer any questions you may have.

WELCOME EXTENDED BY SENATOR BYRD

Senator ROBERT C. BYRD. Thank you, Mr. Secretary. We certainly welcome your presence and your associates.

Secretary MORTON. First, Mr. Chairman, I would like very much to congratulate you on your chairmanship to this subcommittee, which means a great deal to us, and we're delighted with your chairmanship because of your interest in the Department and in-depth knowledge of it and, of course obviously, we are delighted with Senator Mansfield's appointment to this committee and his participation.

TRIBUTE TO SENATOR ALAN BIBLE

Senator ROBERT C. BYRD. If you will allow an interruption, Mr. Secretary, let me just say that all of us will certainly miss the presence of Senator Bible on this committee and, more than that, his excellent work as chairman of the subcommittee over a long period of years. I think that each of us, each of you, and the people of this country are indebted to Senator Bible for his efforts and his efficient work as chairman of this subcommittee over so many years.

I think every State in the Union, probably, has benefited by his expertise and by his diligence and his dedication during all the years he served as chairman of the subcommittee. Thank you.

Secretary MORTON. I'm delighted with what you said and we fully concur.

INTERIOR AND RELATED AGENCY BUDGET REQUEST

Mr. Chairman, our fiscal year 1976 appropriation request for the Interior and Related Agency appropriations bill totals $2.4 billion which is an increase of $136 million over the comparable level for 1975.

Within these amounts, the major increases are for improving the well-being of American Indians and the peoples of our territories, operating our national parks, and environmental studies and safeguards related to potential energy development.

LAND AND WATER RESOURCES

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Highlights of the BIA budget include: $15.6 million for the Indian Action Team program designed to conduct reservation improvement projects and simultaneously provide on-the-job training and tribal contracting and management experience; $11.2 million specifically earmarked to facilitate Indian contracting efforts; $70 million for the Alaska Native Claims Settlement Act payment, bringing the total appropriated for this purpose to $272.2 million; $12 million for the Revolving Fund for Loans, which, together with $38 million appropriated last year, will fully capitalize the $50 million authorized in the Indian Financing Act; $20 million for the loan guarantee and $10 million for the business development grant programs authorized last year; $66.7 million, an increase of $7.2 million, for Reservation road construction; $22.8 million for the Navajo irrigation project, which includes funding for completion of the first segment of the system in

1976, an increase of $4 million for development of reservation resources including timber, agriculture, recreation, fishery, minerals, and water resources.

TERRITORIAL AFFAIRS

The appropriation request for territorial activities is $106 million which is $28.5 million over the 1975 request. Principal items include $91 million for the Trust Territory of the Pacific Islands with the increase tied largely to capital improvements in preparation for resolution of the future political status of Micronesia, and settlement of Micronesian war claims, $15 million for administration of Samoa and for the Guam economic development fund.

Mr. Chairman, that concludes my prepared remarks. I will be happy to answer any questions you may have.

We have had join us, since I introduced the others, Mr. Jack Carlson, Assistant Secretary for Energy and Minerals.

Senator ROBERT C. BYRD. Does that complete your statement?

Secretary MORTON. Yes, sir.

Senator ROBERT C. BYRD. Thank you.

Senator Mansfield, do you have any questions at this point?

Senator MANSFIELD. No.

INTERIOR ENERGY PROGRAMS

Senator ROBERT C. BYRD. Let's question first, Mr. Secretary, your Department's energy programs. They seem to cost the most money and generate the most controversy.

First, your figures indicate a total obligation program of about $260 million for departmental energy-related activities, excluding power generation and marketing. That's up $46 million, or 17 percent, over the current year.

Is this the maximum effort the Department can handle?

Secretary MORTON. I think it is for this year, Senator Byrd. As you know, we've gone through a rather extreme amount of surgery in this area over the last couple of years, first with the development of the Federal Energy Administration which took our Office of Oil and Gas. Then we had the development of ERDA which has taken our Office of Coal Research and a good part of the Bureau of Mines, its laboratories and some of its other research programs.

We're adjusting to this and I think that after we go through this adjustment period we might be able to step up some of our extraction research and some of our mine health and safety research.

One of the things that has supplemented the Government effort in this particular area has been the large addition to private research commitments by coal companies and other mining companies in this era of big demand and higher prices so I certainly think that the national research effort probably is by far at the highest level it has ever been in this area and I think during the course of this year we should take a careful look to see if there are opportunities for the following year's budget to increase the funding.

But to answer your question specifically, I think we're just about doing this at the maximum we can digest it for this year.

Senator ROBERT C. BYRD. Looking at it from another angle, can you spend that kind of money effectively in view of all the obstacles you are encountering in your energy leasing program?

Secretary MORTON. We hope so, and obviously as we go into the programs and they take shape we review them very carefully to make sure that the money is used effectively. I won't hesitate to hold back if I don't think the programs are really going to give us a maximum return on our research dollars.

I think we are going to do it. I think Secretary Carlson could probably answer in more detail and specifically because he has the first cut at reviewing all of these programs individually.

ENERGY R. & D. EXPENDITURES

Mr. CARLSON. I could just add, Senator, that this particular year, as the Secretary said, there is a stimulation problem with the increase of some of the R. & D. expenditures we have, so there is a limit on how fast we can grow. There may well be targets in the future we will want to review based upon the relative priorities the administration has, and on the leasing program. We're putting ourselves in a position where we will do the kind of analysis in terms of the resources involved that no mattter what the pace of leasing is that will be worthwhile information available, but I doubt very much if we will have excessive funds in that area or a shortage of funds given the leasing program as we see it right now.

DEVELOPMENT OF HYDROELECTRIC POWER

Secretary MORTON. There's one other area, Senator Byrd, that I think you were addressing yourself to and I may have missed the point a little bit because I'm so interested in extraction research, and that is in the question of developing additional hydroelectric power. Obviously, there always is an opportunity to broaden the construction side of the Bureau of Reclamation.

There are some pen stocks in the Columbia River, for example, that could have additional powerplants. We just simply have to put these in sort of a priority in relationship to the amount of funds that are available for construction purposes.

Our total construction budget which is heard by another committee for the Bureau of Reclamation has recently increased by about $83 million, so we are at a fairly high level in regards to this kind of construction which does result in the development of a good deal of electrical power.

ENVIRONMENTAL PROBLEMS

Senator ROBERT C. BYRD. Do you have any estimates as to what portion of your energy program is devoted to environmental problems? It would appear to be substantial.

Secretary MORTON. We can break that out for you very accurately. Let me give you the figures first and then we can determine the portion of it.

51-957 O - 75 - pt. 3 - 4

The baseline studies, for example, for our Outer Continental Shelf, is $44.9 million, or about $45 million. The amount of the baseline studies in the geological survey and the geological reconnaissance which has an environmental sort of impact to the baseline studies is about $4 million and the geological reconnaissance is about $8 million, so there you have a total of about $60 million in that area. Then a large portion of the Fish and Wildlife Service is devoted to the review and development and comment on the environmental impact statements.

I can't break out at this particular moment but I'd like to supply for the record, because I think it's important, the total amount of money that we are spending in the Department on the development of the environmental impact statements in compliance with the NEPA Act.

I think the committtee should have that and I'd like to supply it for the record.

Senator ROBERT C. BYRD. If you please.

[The information follows:]

Development of Environmental Impact Statements
(In thousands of dollars)

Bureau	F.Y. 1975 Estimate	F.Y. 1976 Estimate
Bureau of Land Management [1/]	$5,800	$7,900
Bureau of Reclamation	4,050	4,333
Fish and Wildlife Service	2,000	2,100
Geological Survey	5,800	7,000
Bureau of Mines	745	813
Bonneville Power Administration	710	780
Alaska Power Administration, Southeastern Power Administration and Southwestern Power Admin.	20	20
Bureau of Indian Affairs	500	700
Office of the Secretary	624	920
TOTAL	$20,249	$24,566

[1/] Includes 2.7 and 3.1 for Outer Continental Shelf

DEPARTMENT OF THE INTERIOR
Funding for Energy Related Activities
(Obligations in thousands of dollars)

Category	F.Y. 1976 Estimate	Portion Devoted to Environmental Problems
Energy Research and Development	$164,147	$81,937
Energy Leasing	67,595	12,200
Generation and Power Marketing	456,635	4,720
All Others	29,715	9,605
Total	$718,092	$108,462

OIL, GAS, AND COAL PRODUCTION

Senator ROBERT C. BYRD. Taking a longer view of your energy programs, what do you expect them to produce over, say, the next 10 years in terms of oil, gas, and coal?

Secretary MORTON. Let's start with coal because I think it's the keystone, as you've heard me say many times, to our achieving our energy goal.

I believe the American coal industry has got to double its production from its present 500 and some odd million tons or nearly 600 million tons to about 1.2 billion tons annually in the 10-year period from 1975 to 1985.

It's the goal, our goal certainly, and I think it should be the goal as far as our national policy is concerned to bring our Outer Continental Shelf oil production up to as near 4 million barrels a day of petroleum as we possible can. We're now producing about something in the area of 1.5 million barrels a day, and we are also right at the moment in a declining situation.

If we are going to replace the large amount of foreign oil and become invulnerable and become independent, those kind of figures are going to have to be achieved.

PRODUCTION OF NATURAL GAS

One of the other areas that we must address ourselves to as a Nation, and you know the history of this very well, is the question of reversing our decline in the production of natural gas. The new structures that have to be developed are tighter, they're difficult, they're deeper, and we're going to have to, in my opinion, deregulate the price of new natural gas in order to achieve even a break-even situation for natural gas and to prevent the production of natural gas from its continual decline.

It has been estimated by a good many people rather conservatively that if we do nothing in this respect we may be out of natural gas in a period of less than 20 years, so I would hope that over a 10-year period that we would not only break even, but that we would make a substantial gain. It's a little difficult to quantify in natural gas over the next 10 years.

DOUBLING COAL PRODUCTION BY 1985

Senator ROBERT C. BYRD. Do you feel that your goal of doubling the production of coal over the next 10 years, 1975 through 1985, is a realistic one?

Secretary MORTON. Yes: I think it's realistic. It's going to be difficult to achieve. It's only going to be achieved if we provide the systems that utilize coal.

Coal is a market-limited, systems-limited commodity, much more so than oil or gas. There's no point in digging coal if you don't have the systems to transport it and you don't have the systems to utilize it.

It's going to be a touch-and-go thing, but on the other hand it should be the kind of thing that we should make a national commitment to achieve.

The extraction of the coal I don't think is the major problem. I think the major problem is to be able to provide the systems that can burn this coal and, in order to provide those systems and encourage investment in those systems, we're going to have to buy a little time by changing the Clean Air Act, not in a way that downgrades the eventual goals that we want to achieve, but gives us a little time to achieve those goals—primarily in the establishment of intermittent control procedures and also in the establishment of a little better language so that we're not constantly in court because of the non-degradation statement in the bill.

It's not going to require a great deal of amendment and it's certainly not going to move us away from our eventual environmental goals of clean air, but we do have to provide a generation of regulations that will get us from here to there in a 10-year period and in order to do that I think these amendments will be necessary.

If they are achieved, I think we can expect an investment climate on the part particularly of the electric utilities industry where the utilization of coal will be a very, very important way for them to expand and can expand with the least amount of investment.

A coal-fired plant of a given size is much less expensive than a nuclear plant, although we must build some nuclear plants, too, but if we can provide the opportunity to use coal I have every reason to believe that we can achieve this goal.

HINDRANCES TO INCREASED COAL PRODUCTION

Senator ROBERT C. BYRD. It costs a tremendous amount of money to open a new deep mine. Eight or ten years ago it cost from $7 to $9 per annual ton to open a new deep mine. Today it costs $20 to $25 per annual ton, which means that for a million tons of coal produced annually it would cost $25 million in outlay just to open that mine.

It requires 2, 3, and even 4 years to get these mines into production. With that kind of money being required to open a new mine, the coal industry, I think, is hard put to provide these funds without some reasonable reassurance that once the mine is operating there will be a continuing market. In addition, once the mines are open, you're going to have to double the manpower in those mines.

I think those are just some of the multitudinous problems that confront us when we talk about doubling the amount of coal produced from 590 million tons last year to 1.2 billion tons in 1985.

TRANSPORTATION OF COAL

In addition, as you pointed out, there is the great problem of transporting this coal to the market. The railroad industry has a backlog of at least $6 billion in maintenance of the roadbeds.

Trains have been known to collapse standing still because of wobbly rails, and boxcars have to travel 15 to 20 miles an hour and no more on the many stretches of roadbeds.

With these many problems—such as of securing investment capital, securing additional manpower, the problem of transporting the coal, the problem of assuring the coal industry that once it invests this kind of money it will have a sure market, the problem of cleaning up the

coal—facing the industry I would have serious doubts that without an all-out effort, and I mean all-out effort, that coal production can be doubled in 10 years.

Do you have anything further to say to that?

Secretary MORTON. I think several things. One thing is I think we cannot do this job unless we can move the extraction technology ahead. There's no question about that in my mind.

IMPROVING UNDERGROUND CONDITIONS

If we can't improve the underground working conditions, the underground conditions as far as safety and health are concerned and underground conditions as far as productivity is concerned, we can't get there, but this is the most important resource that the United States has to assure its position in the world as far as energy is concerned and I think it would be very, very shortsighted on the part of the American people, once they understand the facts, not to make the all-out effort that is required to bring this great resource, which represents one-half of the free world's coal supply that is under the American flag in the lower 48 States and in Alaska, into a position where it guarantees for the next generation the opportunity to move our economy and our society ahead.

DEPENDENCE ON FOSSIL FUELS

The other technologies are not onstream and if you review them carefully you will see that in this time frame between now and the end of the century even though we make great progress in solar energy, even though we make great progress in geothermal energy, we will still be dependent for chief energy on fossil fuels.

We're blessed, too, with great thick seams of coal in areas of the country, particularly in the West, and I realize that this provides a lot of problems also, but here is where you can get a lot of coal relatively easy out of the ground.

Now we still have a transportation problem, we still have a utilization problem, but unless we drive a stake in this kind of goal and set the bull's eye out there in front of us, make every effort, we won't get there, but I think it's a goal worth fighting for and I think generations of Americans after we're long gone will thank us for making that effort.

MAXIMUM FUNDING FOR ENERGY RESEARCH PROGRAMS

Senator BYRD. Mr. Secretary, does this budget represent the full amount that your Department can feasibly, effectively, and wisely utilize in connection with the research programs dealing with coal, oil, and gas—and I'm talking about mining technology, mine health and safety research, and all other types of research that will lead to the production of the amounts of coal, oil, and gas that this country is going to need? Does this budget represent the full amounts that you requested?

Secretary MORTON. I'd have to look back in our work papers on that. I'll certainly give you that answer, and we may be able to de-

velop that part of the answer right here at this table, but we have very rapidly expanded our research.

In coal extraction now we're at about $45 million, I think, or $44 million. Last year we moved up from $7.5 up to $45 million. Now the technicians and the people and the manpower and the ability to work with the academic communities and the coal community itself, the coal industry and the utilization obviously is on the way up and I would anticipate that in 2 or 3 years we'd be on another plateau, but we've jumped from virtually zero up to $50 million all in 1 year.

You just can't throw money at a problem and solve it. You've got to throw manpower, brains and ideas and effort, cooperative effort, and I think we're at the right place on the stairway and I would say to you very quickly it would be very surprising if I didn't come back to this committee next year with an effort to move again toward another plateau, but I do believe within the manpower resources that we have, within the technologic framework that we have to deal with, that we're just about shooting par for the course.

REQUESTED AMOUNTS FOR ENERGY PROGRAMS

Senator ROBERT C. BYRD. I congratulate you on the increasing effort that's being put into research and the increasing amount of moneys that are being funded.

I'd also congratulate this subcommittee on assisting in that, but I still ask the question if moneys that are in this budget for your energy-related activities represent the full amounts that you and your Department requested.

Secretary MORTON. Let me ask Jack Carlson for the answer to that part of the question. You know our Office of Coal Research was moved out and, as you know, there was a tremendous escalation from where it had been and we're way up in the hundreds of millions of dollars in that area which now is over in ERDA, but as far as our requests are concerned for extraction research, mine health and safety research as to where we came out in the whole budget process, let me ask Jack to answer that.

MINE HEALTH AND SAFETY

Mr. CARLSON. The mine health and safety, Senator, we are asking from the Congress the amount authorized. We're up to our authorization ceiling of $30 million and we're asking for the full amount there, so any further steps in subsequent years will have to be up to the Congress to give us permission to go above that level for us to request in the appropriation process.

On the manpower side, it turns out to be a significant problem, as you know better than anybody, the average age of the miners in this country had increased over a great period of time and now we have an influx of new miners coming into the industry.

We also have a problem with education and orientation and we're looking forward to the Beckley Center helping us to orient especially the younger miners that have a higher propensity for accidents than the older more mature miners. I think that facility we look forward to

be at least operating on a partial basis later this year will help on the manpower side.

Obviously, Senator, it's a relative priority on how fast you can go ahead and base the R. & D. expenditures. But, as the Secretary pointed out, we have gone up rapidly from something around $7 million in the Bureau of Mines up to $45 and up to $49 million now and we're stimulating that growth this year and we hope to have some other recommendations for you in subsequent years.

COAL RESEARCH BUDGET ESTIMATE

Secretary MORTON. I have two figures, too, for you, Senator Byrd. I found that we had a request in for $47 million and we got $45 million.

Senator BYRD. For what?

Secretary MORTON. $47 million for coal extraction research, technological development in coal mining research.

Senator BYRD. You requested that at the OMB level?

Secretary MORTON. Right.

Senator BYRD. $47 million?

Secretary MORTON. Yes.

Senator BYRD. And you have $45 million in the budget?

Secretary MORTON. Yes, sir.

Senator BYRD. What was the other figure?

Secretary MORTON. Those were the two figures, the $45 million and the $47 million. We asked for $47 million, we got $45 million. I thought that was what your question was.

Senator BYRD. What was the $2 million for that you didn't get?

Secretary MORTON. Where it breaks out in the program?

Senator BYRD. Yes; what did you lose?

Mr. CARLSON. We'd be pleased to find that out for you.

Senator BYRD. Please supply to the subcommittee the figures that you requested across the board for all types of energy research and where those figures were reduced by OMB. State what this will do to the program, what you're losing.

[The information follows:]

F.Y. 1976 Energy Research and Development Budget Request
and
Office of Management and Budget Allowance
($ in millions)

Subprogram	Bureau	1975	1976 Request	1976 OMB Allowance	1976 Reduction	Remarks
I. Coal Extraction						
. Water Supply	GS	1.2	4.8	1.2	3.6	Reduction would hold program at 1975 level and would not provide funds for evaluation of water available from or impacts on Madison Limestone Aquifer in Wyo., Mont., and the Dakotas.
. Mining Tech.	Mines	44.0	46.4	44.53	1.87	Some preliminary research on environmental effects on underground mining and surface mine reclamation would be delayed.
. Other programs	Others	6.7	10.6	8.57	2.03	Lesser decrease allowed than requested in ecological and other environmental research related to coal mining.
TOTAL		51.9	61.8	54.3	7.5	
II. Coal Utilization						
. Water supply and quality	GS	--	3.0	--	3.0	Proposed new program on deep drilling and other groundwater supply and quality studies is deferred.
. Other programs	Mines & Fish & Wildlife Service	1.1	8.6	5.9	2.7	Reduction in requested increases for coal combustion work by Bureau of Mines.
TOTAL		1.1	11.6	5.9	5.7	

($ in millions)

Subprogram	Bureau	1975	1976 Request	1976 OMB Allowance	1976 Reduction	Remarks
III. Oil and Gas						
. Exploration	GS	21.2	32.2	18.9	13.3	The program presented to OMB was geared to a planning level of 10 million acres per year. Present plans under the revised leasing schedule to hold 4-6 sales per year provide a better focus for this work and allow a more modest appraisal pace - probably will involve a lesser number of acres.
. OCS Effects	BLM	20.5	32.0	44.9	(12.9)	Actions subsequent to submittal to OMB give rise to this effect.
. Other programs	BLM & GS	--	4.5	0.8	3.7	Fewer new starts in environmental programs and reduction of proposed new R&D subsea oil and gas completion equipment (GS).
TOTAL		41.7	68.7	64.6	4.1	
IV. Oil Shale						
. Extraction, mining and environment	Mines, GS, BLM, & F&WL	8.66	12.6	10.47	2.13	Proposed new program for recovery of alumna and soda ash from oil shale deferred ($1.5); lesser reductions in other oil shale extraction requests.
V. Geothermal	GS and Others	9.5	11.75	10.67	1.08	The effect of this reduction will be to delay some proposed resource appraisal work to subsequent years.
VI. Uranium	GS and Others	9.5	13.5	12.27	1.23	The effect of the reduced funding will delay some proposed resource appraisals to subsequent years (GS).
VII. Transmission and Storage	BPA and Others	5.7	2.45	2.45	--	No change
VIII. Related Programs	Office of R&D and BLM	2.3	2.3	2.3	--	No change
TOTAL		130.36	184.7	162.96	21.74	

NATIONAL ENVIRONMENTAL POLICY ACT

Senator BYRD. Senator Young, who has a time problem, has some questions, so I will yield to him.

Senator YOUNG. Thank you, Senator.

Mr. Secretary, you have served both in the Congress and now in the Cabinet as Secretary of Interior. I wonder which job do you think is the toughest. I don't think I'd trade with you.

This morning I met with 45 farmers from the Farmers' Union who had questions for about an hour. Not all of them went away thinking I was the best Senator in Washington.

One of the questions they raised was, why do you have to have this increased cost of gasoline and other energy and all the related problems? Let me ask this question: It seems in every direction that you go to to try to increase energy, whether it be coal in our area or oil shale or offshore drilling or the pipeline to Alaska, you run into environmental problems. Catalytic converters on automobiles that reduce the pollution and so on. Is any progress being made to ease up some of these requirements?

Secretary MORTON. I think two things, Senator Young. I think we're learning how to live with the NEPA Act, and we're learning how to respond to it and learning how to procedurally get the job done.

We got the baptism of fire on this act because one of the first things we were faced with was the development of the environmental impact statement for the trans-Alaskan pipeline.

This was a $12 million document. It required a fabulous amount of study and analysis by literally hundreds of people, but it taught us a great deal and I think we're moving forward in responding to the intent of Congress in the spirit of that act so I think some progress is being made there.

CLEAN AIR ACT

Now we have had enough experience to realize that the Clean Air Act perhaps is a little too procedurally restrictive in the short term and we have asked the Congress to amend the act to provide an intermediate phase in terms of intermittent controls that can be put into the combustion system that will permit us to get from here to there being the ultimate goal of high air standards with a little less disruption in the economy and in a more orderly manner.

The whole issue of automobile emissions is still a question that is not fully understood. You saw, perhaps, in today's paper where there is some question now about the catalytic burner in terms of its development of sulfuric acid and the health problems that could come from that so we hope we're working with the Congress in the right direction to request the kind of changes that ought to be made that will permit orderly development, but at the same time will eventually and in due course get us to those goals that we're all trying to achieve.

OFFSHORE OIL EXPLORATION

Senator YOUNG. Are you still running into opposition to oil exploration in offshore areas?

Secretary MORTON. Yes, sir. We're running into a lot of problems. I have Secretary Hughes here with me who is our senior financial

officer and program officer in the Department, and he's been practically totally absorbed in this offshore oil and gas development, and there's a great deal of resistance to it from many points of view; some environmental points of view, some other things, but we think we're getting that resolved, and we are under a mandate under the Offshore Leasing Act, and also by direction of the President, to move into these frontier areas, and I think we'll overcome these problems, and we will get the job done in an orderly way.

Right now there is a serious court decision that has to be handed down by the Supreme Court which definitely will affect any kind of development in the Atlantic.

COAL RESERVES IN MONTANA AND WYOMING

Senator YOUNG. When? In our area, including Montana and Wyoming, we have vast reserves of low-sulfur coal, but there is a great opposition to strip mining. I believe if a little more research was done with this type of coal, it might solve some of our problems.

I notice you're asking for more money for coal research, so I would hope you would look into the possibility of helping us out a little bit there.

Secretary MORTON. Well, we certainly are endeavoring to work out with the Congress right now a coal land reclamation bill known as the strip mining bill, that I think once in place and properly designed will facilitate the orderly development of coal in the West, coal mining in the West, and also will insure us that we're not going to desecrate the land, that the land is going to be preserved for second use and reclaimed for second use, and obviously a good deal of research is going on in this area.

One of the problems, of course, in the development of western coal, as you well can realize, is the problem of where it's to be utilized and how it's going to be transported, and we're very much involved in this effort.

Senator YOUNG. The environmentalists have been active in this area, in strip mining, and sometimes because of them we're doing a much better job of restoring the land. Some of the lands have been restored to almost as good condition as they were before. I think that's all I have, Mr. Secretary.

Secretary MORTON. Thank you very much.

MINED AREA PROTECTION

Senator ROBERT C. BYRD. Thank you very much, Senator. The budget proposes for later transmittal an estimate of $20 million for mined area protection. First, what is generally involved in that estimate?

Secretary MORTON. We'd like to provide a thorough answer for that for the record. It's complicated.

Senator ROBERT C. BYRD. Very well, that information will be included in the record.

[The information follows:]

Since the surface mining legislation has not yet been passed by Congress, we have had to make a number of assumptions in programming a budget for this office for fiscal 1976.

We have divided the budget estimate into two sections. One, for administration (including studies required in the pending legislation) and research. This funding will be derived from general revenue. The total amount of $19,850,000 includes administrative expense of $11,500,000, State Institutes, $4,000,000; assistance to States, $4,000,000; and a Study of Indian Lands of $350,000. This amount does not include any funds for a special research and demonstrational program for alternative coal mining technology as provided in section 715. This provision has been in and out of the legislation and if it is in the final version, an additional amount will be needed to fund the program.

The second section of our proposed budget is for Title IV, Abandoned Mine Reclamation. This title is funded from a fee on both surface and underground mined coal for a 10 year period. Although the amount of the fee is not final as yet, there is little doubt that a fund and a fee will be authorized. We have estimated that $69,750,000 could be spent during the next fiscal year. The bill provides that up to ⅛ of this fund shall be transferred each year to the Secretary of Agriculture for the reclamation of certain lands as provided in section 404.

ADMINISTRATION OF STRIP MINING LAWS

Senator ROBERT C. BYRD. Why is it planned to administer strip mining laws from the Office of the Secretary? Why not from a line agency?

Secretary MORTON. This bill that was sent downtown, I think—and I'll have to get somebody who knows a little bit more about the details of the bill—actually prohibited, I believe, the mining agencies from administering the program. So, for that reason because that was the nearest thing we had to what we thought we would probably eventually get, I think we took that as a reasonable course.

COORDINATION WITH ERDA

Senator ROBERT C. BYRD. In your statement you mentioned the budget emphasis in the Bureau of Mines on developing coal mining productivity, health and safety. Is this being coordinated with related work in the Energy Research and Development Administration?

Secretary MORTON. Yes, sir. Obviously, we're having to have a great deal of communication between the people in ERDA and their programs and ours.

However, I think the great bulk of the coal mining extraction research which is still in the Bureau of Mines is the place where most of the bridging should take place between coal mine health and safety administration and research and extraction research, though admittedly ERDA has a piece of the action and wherever anyone else has a piece of the action we insist on a high level of coordination and this is something that's done through the task force technique.

MINE SAFETY ENFORCEMENT

Senator ROBERT C. BYRD. There has been strong labor criticism of the Government's coal mine safety enforcement program recently. Does the MESA budget increase include any effort to respond to this criticism and strengthen enforcement procedures?

Mr. CARLSON. Yes, sir, it does. And also we're considering an amendment to both of the basic health and safety acts, the Coal Mine Act of 1969 and the Metals and Non-Metal Act of 1966 so that the procedural aspects of the act don't deter us in carrying out the objectives of the

act. We'll both have amendments as well as additional manpower and hope to have additional training and education which we think is a high productivity area to help toward reducing morbidity and mortality rates.

Secretary MORTON. As you know, Mr. Chairman, we've had an almost explosive type of expansion in this area. We've gone from some 200 or 300 inspectors up to 1,300 in a very short time.

We've had to go into the industry, obviously, to get these people and, as you know probably better than anybody here what's involved in training them and what's involved in this whole thing. I think we're making progress. It's a very difficult act to administer and the fines are difficult to collect. We assess the fines. They're turned over to Justice. We develop a big backlog. It's something that needs some streamlining and we're working toward that.

Mr. CARLSON. I might just add, Senator, that on the assessment process we cut into the deficiencies in that process last fall. We think we have a new system that makes it much, much more effective. As we finish the first test run in the first 6 months, we will be happy to report and be pleased to share this with the commitee.

GOALS OF THE COAL AND OIL SHALE PROGRAMS

Senator ROBERT C. BYRD. Very well. The Department's energy figures indicate a 1976 obligation program for coal and oil shale of nearly $79 million, up about $12 million. Please describe the major goals for these programs.

Secretary MORTON. Let me outline it in a broad sense and then maybe Jack Horton and Jack Carlson could fill in the details.

We think that we should have a demonstration size oil shale industry and our original idea was to select some typical tracts of oil shale deposits and lease those tracts and then set up a program with the folks that purchase those leases to come up with a demonstration-size industry and, hopefully, we will get an industry that levels out somewhere, 250,000, 300,000 barrels a day by the end of 6 or 7 years, and that we will learn a good deal about the economics.

We will learn a lot about the environmental problems and they are tremendous, as you can well imagine, with only 15 gallons of oil in a ton of material, and we will learn a good deal more about the water requirements and many of the other aspects as well as develop the technology that will be required to make a real commercial industry out of this. This program is on schedule and working well.

We weren't able to dispose of all six tracts. We only disposed of four of them. We're now working on the putting together of a program for the development of the in situ process which holds some hope and maybe either Jack Horton or Jack Carlson could add to what I've said.

Mr. HORTON. Mr. Chairman, as the Secretary has indicated, we were successful in leasing four of six tracts; two tracts in Colorado, two tracts in Utah, and failed to find any interested companies in leasing demonstration tracts in Wyoming. We are preparing to go forward to seek nominations from industry and then offer leases that would develop and refine the insitu technology, but this is still within a

demonstration program and until the environmental costs and economic feasibility of that has been studied and completed, we feel at this time it would be premature to expand into commercial operation.

Mr. CARLSON. I might just add, Senator, that we have a cooperative effort with ERDA as to R. & D. funds to be expended in a complementary manner with this prototype leasing program that was announced 2 or 3 years ago, and it will carry on the next phase.

COAL AND OIL SHALE REVENUES

Senator ROBERT C. BYRD. What are your revenue estimates from coal and oil shale for 1976?

Mr. WILES. Mr. Chairman, we don't have the receipts broken down quite that way by coal and oil shale. I can give you the total receipts for the Department if that would be helpful: $9.72 billion is the total for the Department and, of that, $8 billion, which is the biggest number, comes from the Outer Continental Shelf.

We don't have coal and oil shale broken out separately, but we could supply that to you.

Senator ROBERT C. BYRD. Would you supply that to the record?

Mr. WILES. Yes, sir.

[The information follows:]

Estimated revenues from coal and oil shale, fiscal year 1976

Department of the Interior:	
Estimated coal revenues	$12,050,000
Estimated oil shale revenues	68,000,000
Total estimated coal and oil shale revenues fiscal year 1976	80,050,000

ENVIRONMENTAL AND POLITICAL OPPOSITION

Senator ROBERT C. BYRD. You are confronted with similar environmental and political opposition in coal and oil shale leasing and development and you've already touched on this. Won't this have a substantial impact on production and revenues? Would you like to add anything about what impact that opposition will have on the production of revenues?

Secretary MORTON. It's very difficult to say and, of course, I think we welcome the debate. Certainly it's not our purpose to roll over just because there is an energy problem. Environmental objections are raised to merely anything you try to do in these days.

I think it's a matter of education. We are trying to educate the Members of Congress to these problems through briefings and through every way we can to get them the information.

We're also meeting with as many environmental groups as we can to develop an understanding there and I have established a policy of meeting with Governors of the States, both in the West and the East and the various regions that are affected by an energy development program.

We've been to New England. We've met with the Atlantic coast Governors. We've met with the gulf coast Governors. We've met with the Mountain States Governors and their people to develop a dialog

and out of this we hope to get a balanced and orderly program that will insure the energy requirements of the Nation but at the same time we don't want to tear it up and I think that we have the technology to accomplish this.

It's just a matter of working together with people.

ROLE OF WESTERN STATES IN COAL AND OIL SHALE LEASING

Senator ROBERT C. BYRD. Mr. Secretary, what do you consider to be the future role of the Western States in coal and oil shale leasing? Do you foresee any type of additional revenue sharing?

Secretary MORTON. Of course I think the first revenue sharing will deal with oil shale. Just what part this great reserve of hydrocarbons will play in energy matrix in the future is still hard to tell because the economics and the true costs of reducing this oil shale to usable fuel in terms of actual money and in terms of the environmental cost and social cost and all the rest has yet to be made. I consider it a great savings account for America and I believe that as we get toward the end of the century and technology has moved forward this reserve, this great part of energy can be very, very meaningful.

Coal is going to be, I think, a much easier thing to develop in the West than maybe some of those who are apprehensive realize. At best we're not talking about more than 200 million tons a year in the decade between now and 1985 for western coal and when you think of that compared to production in your own State, for example, production in the State of Kentucky, you realize that this can be done without any major or catastrophic disruption to the land.

Now with good reclamation, careful planning, and good leasing policy I think we can develop coal in the West to meet the western needs and also I think we can do the same thing in Alaska without too much difficulty. I don't think this is going to be nearly as hard as increasing substantially, as you pointed out earlier, the production of coal in the underground systems of the East.

COAL PRODUCTION IN THE WEST

Senator ROBERT C. BYRD. With all the coal that you're contemplating for production in the West, is that to be surface mined or is that going to be a combination of surface mine, a shaft and a slope, or a deep mining operation?

Secretary MORTON. It would be a combination of the two, Mr. Chairman, and I'll have to have either Jack Horton or Jack Carlson tell you what the breakdown is.

I think that the larger end of the tonnage, though, is from surface mining, but there would be more than you would suspect of deep mining.

Mr. CARLSON. This is particularly true of certain States. Utah is almost all deep mining. I think maybe 40 percent would be deep mining and 60 percent would be strip mining in the West.

I think there's another point that ought to be brought out here where about one-twelfth of our coal comes from the West now and moves up to one-sixth in the next 10 years, so one shouldn't focus just on the

West. We still have a lot of coal in the East that will have to be drawn out for energy.

SURFACE MINING

Senator ROBERT C. BYRD. Fifty percent of the coal mined today is surface mined roughly.

Mr. CARLSON. Roughly.

Senator ROBERT C. BYRD. What do you project looking forward?

Mr. CARLSON. A small shift in proportion toward surface mining versus deep mining, but not a major shift.

Senator ROBERT C. BYRD. What you're saying is that we will continue to expect over the next 10 years that 50 percent of the coal produced in this country would be surface mined. Is that what you're saying?

Mr. CARLSON. We'll move toward a proportion being more toward the surface mining.

Senator ROBERT C. BYRD. More than 5 percent?

Mr. CARLSON. Yes; but not a significant and dramatic shift. There's just a lot of coal that's down deep. Surface-mined areas will not be adequate for the economic needs of a particular site to supply a particular purpose for coal.

SULFUR CONTENT

Senator ROBERT C. BYRD. Which has the less sulfur content, surface-mined coal or deep-mined coal?

Mr. CARLSON. It's hard to generalize. It depends on the location. We've got deep-mined coal that is low-sulfur coal in Utah, for example, and we have surface-mined coal that is low-sulfur coal as indicated in Senator Young's statement. It's hard to generalize. There is a lot of low-sulfur coal in the West, however.

ESTIMATING THE NATION'S ENERGY RESERVES

Senator ROBERT C. BYRD. Who has the primary responsibility in the Federal Government now for estimating the Nation's energy reserves, the amount of gas and coal potential?

Secretary MORTON. I think a combination of the Bureau of Mines and the Geological Survey.

Senator ROBERT C. BYRD. There have been disturbing reports recently, including one from the National Research Council, that the Government's estimates of oil and gas reserves are far too high. What is your comment, Mr. Secretary?

Secretary MORTON. The Geological Survey has used a system of estimating that provides a wide range. They have two different methods of calculating. It's an art at best. I had a long talk with Dr. McKelvey about this and his reply to the same question I asked him was that we do have a low range and a high range, and I've forgotten exactly what the figure was, but anyway it hit just about in the middle of our range that they came up with, and so I think it's a matter of getting the scientists together and agreeing on the method of calculation.

Mr. CARLSON. I might add that the range is 75 billion in the case of oil, barrels of oil, up to as high as 400 billion, and one of the great unknowns that hasn't been taken into account with all the estimates taken by the council or other people is the increase in price that we've

had. If you were to take that into account and what that would bring forth in additional reserves at the higher price, all the figures tend to be conservative. You'd have to shift the range of 75 billion to 400 up to some higher range.

We have an effort going in to make sure that we understand the scholarly efforts to estimate what is really the unknown and that is the reserves that we'll discover in the future to see if we can improve upon the technique. Even with that wide range it looks like we have adequate oil for this century. We need to get on with substitute energy sources going into the next century.

NATIONAL RESEARCH COUNCIL REPORT

Senator ROBERT C. BYRD. In light of the report from the National Research Council, are you revising your estimates?

Secretary MORTON. The report from the National Research Council, hits right in the middle of our range and I think we still report it as a range and we have a low side and a high side. The high side is the one that's usually dramatized and that's the one I think that the National Research Council figures compare with, but we also have the low side and, as Dr. McKelvey said, it depends on who is reading the figures as to whether they want it low or want it high.

We produce the range. We have two different ways of calculating it. It's all here, the methods by which we calculate it, and I don't think we should revise.

There's nothing that I've been told by our scientific people that would indicate that we should revise our system of calculating these figures.

ESTIMATE OF NATURAL GAS RESERVE

Senator ROBERT C. BYRD. What is your estimate of the reserves of natural gas?

Secretary MORTON. I take the figures of the Geological Survey, which we will furnish you.

Senator ROBERT C. BYRD. Is that estimate something like 23 trillion cubic feet?

Secretary MORTON. That's considered the high side of the range.

Senator ROBERT C. BYRD. What's being used now? About a trillion per year?

Secretary MORTON. In that area.

Senator ROBERT C. BYRD. In other words, being reduced about 5 percent annually?

Secretary MORTON. Yes; the reserves are being reduced about 5 percent annually and I think it comes out to be a little over a trillion cubic feet a year.

The actual oil production is going down at a higher rate, about 8 percent a year.

ESTIMATE OF OIL RESERVE

Senator ROBERT C. BYRD. What is your estimate of the recoverable oil reserve, using current technology?

Secretary MORTON. Well, again it's a very wide range.

Mr. CARLSON. We have a known reserve of about 46 billion barrels and of what is known as unknown recoverable resources, those reserves we think we'll find and recover.

We're around 150-billion barrels. The estimate by the Council is 113-billion barrels so those two together get us up to our estimate of close to 200 billion barrels that we think we're working off of.

Now we're consuming as a Nation 18-million barrels a day times 365, so it would be about 5-billion, 6-billion barrels per year. Then you can see that 6 into 200 gives you about 32 years off that kind of an estimate.

OIL AND GAS PRODUCTION FROM DOMESTIC RESERVES

Senator ROBERT C. BYRD. The Research Council report indicated that we could not expect any significant oil and gas production in the near future from domestic reserves and recommended more attention to energy conservation. Do you agree with that viewpoint?

Secretary MORTON. Yes; I certainly do. I don't think we're going to be able to change our production rate in any of our fields, and of these areas; coal, gas, or oil dramatically in the short term and we're going to have to reduce our vulnerability by an across-the-board effort to keep our fossil fuels from actually going down in the very near term through conservation.

There's no question in my mind about that, and that's what the President's program directs itself to.

OUTER CONTINENTAL SHELF

Senator ROBERT C. BYRD. How are you doing on your 10 million acre leasing goal for calendar year 1975? How close do you expect now to come to it, and what is the offshore oil and gas leasing goal of your budget program?

Secretary MORTON. Our current leasing goal is to hold six OCS lease sales per year in 1975 and subsequent years and to hold lease sales in all frontier areas of the OCS by the end of 1978.

Our earlier goal to lease 10 million acres was nothing more than that; a goal around which an accelerated leasing program could be formulated. We have since revised it as we gained more knowledge of the oil and gas prospects in the frontier areas of the OCS, and as we realized that the increase in drilling capacity will be less than we originally anticipated. Other revisions in the future are also highly probable.

We believe that adopting a goal of six sales per year and moving into each major region of the OCS increases the chances that the best oil and gas reservoirs will be found and production initiated over the next 5 to 15 years.

OUTER CONTINENTAL SHELF REVENUE PROJECTIONS

Senator ROBERT C. BYRD. Speaking of revenues, I understand the Department has sharply reduced its OCS receipts estimate for the current year. What caused this?

Secretary MORTON. Our OCS receipt, estimate for fiscal year 1975 have been reduced from $5 billion reflected in the President's budget to $2.6 billion. The reduction is based primarily on the actual receipts from our south Texas sale in February which were considerably lower

than we had originally used for our receipt estimates. There are several reasons for this. First, the acreage offered was somewhat lower than we originally planned. Second, the sale was in an area where we had no prior leasing experience. Finally, and most significantly, results from two stratigraphic tests prior to the sale were disappointing.

Senator ROBERT C. BYRD. What caused the light bidding on the Texas Gulf lease offerings?

Secretary MORTON. The major reason for the low bids and low percentage of tracts receiving bids in the February 1975 sale was the data received from the two deep stratigraphic tests in the south Texas OCS. These two tests, in conjunction with seismic sand-shale ratio maps, indicated that there may be no reservoir rocks under a major portion of the south Texas OCS and therefore a majority of the tracts had no value.

SOUNDNESS OF REVENUE PROJECTIONS

Senator ROBERT C. BYRD. Looking at the cutback you've already taken in 1975 OCS revenues and at the many political and environmental problems that still lie ahead, how firm is the $8 billion estimate you have for 1976?

Secretary MORTON. At this point in time no estimate of OCS bonus revenues can be firm. Until the environmental and legal problems associated with leasing in frontier areas can be resolved, it is possible to predict if a sale will be held, if it will be reduced in size or if it will be delayed until another year.

Royalty revenues for 1976 will continue to increase providing the oil prices continue to increase. Royalties will decrease if oil prices remain stable, since oil production is decreasing.

OUTER CONTINENTAL SHELF REVENUE SHARING

Senator ROBERT C. BYRD. What general impact would revenue sharing have on your 1976 OCS revenue estimate?

Secretary MORTON. Our 1976 OCS revenue estimate of $8 billion would not change as a result of revenue sharing. Instead, the distribution of the receipts would be impacted by revenue sharing. Currently OCS revenues are deposited in the general treasury with only approximately $250 earmarked for the Land and Water Conservation Fund and the remainder available for Government expenses. Under the various revenue sharing proposals, less money would be available to the Federal Treasury by the amount allocated to the States.

ALASKA PIPELINE

Senator ROBERT C. BYRD. We hear increasing talk of a second Alaska pipeline, mainly to accommodate the development of the naval petroleum reserves. Can you bring us up to date on Federal planning in this area?

Secretary MORTON. In the area of planning for additional pipelines in Alaska, the Bureau of Land Management has prepared a report dealing with transportation and utility corridor systems in Alaska. Several public meetings were held in January to discuss the report, and the public comments are currently being reviewed and summa-

rized. The report will serve as a basis for my decision on Alaska corridor reservations for pipelines and other uses.

Present interest in a second Alaska oil pipeline centers more around potential resource development in the western part of the State than in the naval petroleum reserve. If the oil reserves in the naval petroleum reserve are developed, they could probably be transported through the Alyeska pipeline. As you know, there is also interest in various routes for a gas pipeline from Alaska for delivery of North Slope gas to the mainline United States. One of these potential routes could parallel the oil pipeline now under construction by Alyeska.

PIPELINE PLANNING

Senator BYRD. Are there any significant funds in your 1976 budget connected with planning additional Alaska and Arctic pipelines?

Secretary MORTON. There are no funds in the Geological Survey that are directly related to planning any additional Alaska and Arctic pipelines. However, the survey does have an Artic environmental studies program, budgeted at $404,000, which is designed to develop techniques, methodology and information which will be pertinent to any future major construction projects including pipelines in the Arctic.

I believe about $1 million is included in BLM's fiscal year 1976 budget to complete EIS work on the Arctic gas project, $3.5 million was appropriated in fiscal year 1975 for this EIS effort, and the majority of the work will be completed this fiscal year; $2.5 million is planned to be redirected to other energy related rights-of-way in fiscal year 1976, leaving $1 million available to complete the EIS and follow-on work.

Exploratory drilling is currently underway in Naval Petroleum Four and the Selawik Basin. If sufficient resources are found to warrant development, rights-of-way permits may be requested from the Department but there is no significant fiscal year 1976 funding for this purpose.

PARKS AND WILDLIFE

Senator BYRD. In the area of parks, recreation, and wildlife, I note the budget maintains a high land acquisition level but cuts back sharply in construction. Why do you reduce construction at a time when the administration appears to be favoring increases to stimulate employment?

Secretary MORTON. The programs for the three important bureaus in fish, wildlife, and parks—the program area of Assistant Secretary Reed who will appear before you at subsequent hearings—were generally kept to the fiscal year 1975 level except for those that are energy-related. Consequently, we were obliged to take care of our pressing needs in the non-energy-related programs by reducing our capital improvement projects. Construction projects, particularly new starts, can be deferred when it becomes necessary as it is in consideration of the fiscal year 1976 budget. Land acquisition is not as easily deferred because the needed land either becomes unavailable or is threatened by development. Land costs escalate at a worrisome rate which was another of our considerations. I recognize that construction costs escalate as well but they are comparable to normal rates associated with goods and services.

The administration's job opportunity program is a separate non-Federal, labor intensive public works initiative that is different than our capital improvement program such as, for example, visitor center or hatchery construction. The types of work involved in the job opportunity program—building and utility systems repairs, grounds improvement, campground renovation, boundary marking, vista clearing, roads and trail resurfacing, and many others—can easily be accomplished by day labor or by contract and begun very soon after the funds become available. Furthermore, the projects contemplated are located in high unemployment areas.

NATIONAL VISITORS CENTER

Senator ROBERT C. BYRD. What is the status of the National Visitors Center? May we expect a budget estimate to continue construction on that project?

Secretary MORTON. Mr. Chairman, I have made the decision not to seek additional appropriations at this time. We plan to provide the most adequate facility we can within the funding expected to be available.

NEW PARK AREAS

Senator ROBERT C. BYRD. The reduced Park Service construction budget appears to carry no funding for developing recently authorized park areas or increases for operating them. Why?

Secretary MORTON. Mr. Chairman, there were 12 new parks authorized toward the end of the 93d Congress and subsequent to the formulation of the fiscal year 1976 budget. The requirements for providing initial operations in these parks are under review by the Department and the Office of Management and Budget. As for development, it is premature to request funding until the necessary planning is completed.

PARK SERVICE EMPLOYMENT CEILING

Senator ROBERT C. BYRD. This committee is repeatedly asked to increase the number of authorized positions for the National Park Service. Yet I understand the Park Service continues to operate under an employment ceiling that prevents filling these positions. Why is this?

Secretary MORTON. The fiscal year 1976 budget of the National Park Service reflects the President's continuing goal to reduce Federal employment. To accomplish this and at the same time respond to the demands of an estimated 226.8 million park visitors and to insure the preservation of park features to future generations, it will be necessary for the Service to alter the methods of executing certain park programs.

The budget contemplates a minimal increase in Federal employment. There are, however, new programs, expanded park facilities and increased requirements, such as the Bicentennial program, generating workload that can be accomplished only by Service personnel. Likewise there is work being performed by Service personnel that can be accomplished through contracting with the private sector. The Service proposes reallocation of manpower within its authorized employment ceilings to provide for the highest priority of workload which can only be performed in-house. The remaining workload will either be ac-

complished by contract or deferred until adequate ceilings are available.

We believe this approach will allow the Service to continue its highest priority programs to seek management performance at prescribed standards in park operations without sacrificing program objectives. At the same time, the National Park Service can continue to be responsive to the administration's efforts in achieving a reduction in Federal employment.

FISH AND WILDLIFE CONSTRUCTION

Senator ROBERT C. BYRD. Why is construction being cut back under the Fish and Widlife Service?

Secretary MORTON. In an effort to balance carefully the limited budgetary resources against the various natural resource problems, the previous funding level of the fish and wildlife construction program gave way to higher priority needs. In the current budget, primary emphasis is placed upon two program areas of growing significance: biological services, and protection of endangered and threatened species. Viewed in the context of preserving the most urgent fish and wildlife values, construction is a relatively postponable activity. The programs for which increased funding is requested are not postponable and will result in substantial progress in meeting national energy requirements while addressing the problems associated with protection of the environment and stewardship of our living natural resources.

SHIFT IN WILDLIFE RANGES

Senator ROBERT C. BYRD. You recently announced that management of three national wildlife ranges is being shifted from the Fish and Wildlife Service to the Bureau of Land Management. Please background the committee on that policy.

Secretary MORTON. Historically, the joint management of these three game ranges has not worked because of the conflicting management objectives of the two bureaus. In deciding which Bureau should, in the future, exercise sole jurisdiction over these areas, the following factors were considered:

The Charles M. Russell and Sheldon game ranges are important areas to preserve in order to safeguard the habitat of the wildlife species there. They were originally established at a time when antelope populations were at an all time low. The purpose for which they were established has largely been served—the antelope population has been restored to an optimum level.

Because of this and because of the relative scarcity of other wildlife species there, it is no longer necessary to have the areas maintained and supervised by the Fish and Wildlife Service. The Service's expertise and limited money and manpower can be better applied to areas and species that are in greater need of professional wildlife management. There are no reasons, under the circumstances, that these areas should not be managed by another land managing agency, such as the Bureau of Land Management, provided that agency gives highest priority to the preservation of wildlife habitat and permits no activities that might be detrimental to that habitat.

Although both the Arizona game ranges, Cabeza-Prieta and Kofa, have significant wildlife resources, it was decided, after analyzing all factors, that the fairest way to settle the jurisdiction question was to assign one range to each agency. Kofa was assigned to the Bureau of Land Management because it has more intensive recreation and more grazing than Cabeza-Prieta. In managing the important Desert Big Horn sheep population and other wildlife on Kofa, the Bureau of Land Management will be able, at any time, to call upon the professional wildlife expertise of the Fish and Wildlife Service which maintains an office nearby.

RANGE MANAGEMENT

Senator BYRD. Recently, in response to this committee's request, the Bureau of Land Management analyzed western range conditions and found them to be in serious condition. The report said additional range management funding would be needed, but there appears to be no request for increased appropriations. Why?

Secretary MORTON. Unfortunately, the Department has been faced with a significant national energy and related environmental problems in energy development at a time when funding has been necessarily tight. As all other Departments, we are faced with a funding ceiling and feel strongly it would be irresponsible to exceed it. Within this ceiling, we have set priorities to meet the most urgent problems facing the Department.

Senator BYRD. Would you favor a budget amendment to provide more range management funds?

Secretary MORTON. If the fiscal situation would improve, we would consider it along with other departmental priorities. However, we feel it would be inappropriate at this time.

INDIAN PUBLIC SCHOOL CONSTRUCTION

Senator BYRD. The recently enacted Indian Self-Determination Act authorizes $35 million for construction of Indian pubic schools. Does this Department intend any funding for this program?

Secretary MORTON. The Bureau of Indian Affairs, the Indian Health Service, and the U.S. Office of Education are involved with consultations with national and regional Indian organizations and tribal leaders on the development of regulations and implementation of the Indian Self-Determination Act. Based on the results of these consultations, it may be necessary to propose a budget amendment or supplemental appropriation at a later date.

TRIBAL BUDGET PRIORITIES

Senator BYRD. Recently, the Bureau of Indian Affairs has been giving tribes a chance to help set budget priorities. Has this policy been working so far?

Secretary MORTON. Senator, from the reports I have received, it appears the priority analysis system is working very well. This is another way in which we stress Indian involvement and participation. Local Indian priorities, determined on an agency-by-agency basis,

were used to develop the BIA fiscal year 1976 budget. Distribution of the appropriations will be made by these same priorities.

Senator BYRD. Mr. Secretary and members of the subcommittee, my colleagues have been very patient with me. I have a number of questions remaining, but I'm not going to ask them all out of deference to my colleagues because they also may need to move to other areas.

I will ask two or three additional ones and then I will ask my colleagues to proceed for a while.

INCREASED EMPLOYMENT OPPORTUNITIES

Speaking of employment, Congress is now taking up a supplemental appropriation proposal that would provide large funding increases to create more employment opportunities, many of them in conservation programs in your Department.

What is your position on this proposal?

Secretary MORTON. I think that we want to do our part wherever we can to help provide employment and to contribute to economic recovery. Some of our programs have been highly successful and we hope to continue and develop, particularly our Youth Conservation Corps, our temporary employment program for summer jobs, and that sort of thing.

Obviously, in the field of construction we could expand the construction programs that we have, the blueprint that we have for more construction as far as the Bureau of Reclamation is concerned, more construction as far as Park Developments, Indian roads, and so forth.

I would hope, however, that we don't suddenly expand our structure overhead and everything else that is involved and then, at the end of the year or so, have to shrink it back and get on a kind of roller-coaster approach.

I would much prefer that we decide the kind of programs that we can make a contribution in, in terms of expanded employment; but the kinds of programs, at the same time, that don't require major shifts and major changes in the very basic structures of the bureaus themselves.

Inevitably, you run into trouble if you expand one of these bureaus 10 or 15 or 20 percent and then 2 years from now, or a year from now, you have to cut it back, this presents a lot of problems.

So, I think we've got to proceed with a degree of caution and commonsense in this area.

Senator STEVENS. Following up on the chairman's questions, Mr. Secretary, is it possible that your Department could give us a list, or report on those projects which would be undertaken by bureaus and agencies of your Department this year, which would be labor intensive and at the same time would be conducted by private contractors through a contracting procedure?

The reason is, I have a great fear that we're putting a lot more people in the courthouses and city halls through Federal programs and everything else and we're not getting done some of these things where employment could be through their private sector.

Secretary MORTON. We've already furnished some estimates. I think, although I don't know whether to this committee. We've done this work and we'd be very glad to supply you with a copy of it.

Senator STEVENS. Would you supply that to the subcommittee, Mr. Secretary?

Secretary MORTON. Yes, sir.

Senator ROBERT C. BYRD. Let me get back to my original question.

PROJECT SUMMARY

Will you supply the subcommittee a breakdown of the employment as it affects programs under your jurisdiction—how many jobs would be made available by these funding increases? Would you do that?

Secretary MORTON. Yes, sir.

[The information follows:]

Increased Employment Opportunities
Summary of Projects Submitted to the Secretary of Commerce

Bureau	Funding (in thousands of dollars)	Approximate No. of Jobs Created
Bureau of Land Management	16,382	1,750
Fish and Wildlife Service	21,216	2,274
National Park Service	40,016	3,000
Bureau of Indian Affairs	134,199	21,000
Subtotal	211,813	28,024
Geological Survey	17,649	1,588
Bureau of Mines	1,026	74
Mining Enforcement and Safety Admin.	3,275	300
Bureau of Reclamation	21,647	2,300
Total, Department of the Interior as submitted to DOC	255,410	32,286

BUREAU OF LAND MANAGEMENT

Accelerated Public Works Projects
Summary by Appropriation and State
(in thousands of dollars)

Initial Submission:	MLR	C&M	O&C	PLDR&T	Total
Alaska	90	281	---	---	371
Arizona	503	120	---	25	648
California	1,534	1,048	---	892	3,474
Colorado	1,317	---	---	---	1,317
Idaho	27	42	---	---	69
Montana	243	---	---	---	243
New Mexico	691	216	---	---	907
Nevada	163	1,176	---	---	1,339
Oregon	1,250	1,585	2,077	275	5,187
South Dakota	107	---	---	12	119
Utah	230	130	---	---	360
Total	6,155	4,598	2,077	1,204	14,034
Additional Projects:					
Alaska	---	193	---	---	193
Arizona	50	185	---	---	235
Idaho	---	---	---	395	395
Montana	---	239	---	310	549
New Mexico	343	---	---	413	756
South Dakota	---	80	---	140	220
Total	393	697	---	1,258	2,348
Total Projects:					
Alaska	90	474	---	---	564
Arizona	553	305	---	25	883
California	1,534	1,048	---	892	3,474
Colorado	1,317	---	---	---	1,317
Idaho	27	42	---	395	464
Montana	243	239	---	310	792
New Mexico	1,034	216	---	413	1,663
Nevada	163	1,176	---	---	1,339
Oregon	1,250	1,585	2,077	275	5,187
South Dakota	107	80	---	152	339
Utah	230	130	---	---	360
Total BLM	6,548	5,295	2,077	2,462	16,382

Accelerated Public Works Project
Alaska
($ in thousands)

	Units	Range, Watershed & Wildlife	Forestry	Rec.	Other	Total
Initial Submission						
MLR						
1. Historic trail locating and marking				90		90
C&M						
1. Cleanup of Campbell tract and stream				31		31
2. Construction of picnic tables	120 tables			24		24
3. Construction and installation of new facilities at 8 campgrounds				168		168
4. Trail cleanup, maintenance, identification and construction of shelter cabin	several mi. 1 cabin			58		58
Total C&M				281		281
Total Alaska initial submission				371		371
Additional Projects:						
C&M						
1. Construction of cabin and treatment equipment for water treatment and protection					16	16
2. Paving parking lots	5,500 S.Y.				55	55
3. Construction of fire lookout tower					42	42
4. Resurfacing of aircraft retardant ramp					80	80
Total additional submission					193	193
Total Alaska projects				371	193	564

Accelerated Public Works Project
Arizona
($ in thousands)

Units	Range, Watershed & Wildlife	Forestry	Rec.	Other	Total
Initial Submission					
MLR					
1. Hualapai Mt. fire trail clearing and construction and thinning of undergrowth	7 miles			21	21
2. Range improvement: construction and maintenance of pipeline, fences, reservoirs, spring and catchments	32.3 mi. pipe 33.9 mi. new fence 60 mi. fence mi. 7 reservoirs 5 springs devel. 3 catchments	224			224
3. Inventory and maintenance of wildlife water developments	maintain 25 catchments	40			40
4. Wildlife catchment construction	10-5,000 gal.	78			78
5. Inventory, maps and classify BLM access roads	2 counties			140	140
Total MLR		342		161	503
C&M					
1. Dump site cleanup, Graham Co.			18		18
2. Lower Colorado maintenance and development of recreation sites - Yuma Co.			93		93
3. Hazard reduction; close old uine shafts, repair dangerous trails and bridges			9		9
Total C&M			120		120

Arizona (Cont.)

Accelerated Public Works Project
Arizona
($ in thousands)

	Units	Range, Watershed & Wildlife	Forestry	Rec.	Other	Total
PLDR&T						
1. Virgin Canyon Recreation Trail Construction				25		25
Total PLDR&T				25		25
Total initial submission		342		145	161	648
Additional Projects						
MLR						
1. Arizona State status map updating					50	50
C&M						
1. Enchancement of timber, grass and shrub area for improved scenic quality of undeveloped recreation area. Improves wildlife habitat				185		185
Total additional projects				185	50	235
Total projects - Arizona		342		330	211	883

Accelerated Public Works Project
California
($ in thousands)

Initial Submission	Units	Range, Watershed & Wildlife	Forestry	Rec.	Other	Total
MLR						
1.) Cadastral Survey - all rural areas	400 ac.		350		749	749
2.) Slash disposal - Redding	5 AMPs		350			350
3.) AMPs and construction of wild horse facilities	horse fac.	325				325
4.) Forest development-Thinning & removal of brush	450 ac.		110			110
Total MLR		325	460		749	1,534
C&M						
1.) Hazard reduction - fencing mine shafts	350 shafts	550				550
2.) Trail reconstru. and heavy maintenance	16 miles			42		42
3.) Cedarville complex - constru. of offices and vehicle storage	Vehicle Storage				400	400
4.) Protection of cultural sites - fencing and signing	7 sites			56		56
Total C&M		550		98	400	1,048
PLDR&T						
1.) Trail constru. - Pacific Crest	30 miles			246		246
2.) Trail constru. - Butte Creek	5 miles			39		39
3.) Trail Constru. - Merced Bike Trail	14 miles			55		55
4.) Road surfacing of 6 district roads	25 miles				552	552
Total PLDR&T				340	552	892
Total California initial submission		875	460	438	1,701	3,474

Accelerated Public Works Project
Colorado
($ in thousands)

Initial Submission:	Units	Range, Watershed & Wildlife	Forestry	Rec.	Other	Total
1. Facing of dams and spillways, construction of rock and wire gabions, tree thinning.	18 dams & spillways 1,000 gabions 600 acres	247				247
2. Fence repair and improvements, erosion control, waste cleanup and spring development - North Fork	100 acres	122				122
3. Timber stand improvement fence construction	20 acres 25 miles	42	21			63
4. Fence Construction - San Miguel	55 miles	107				107
5. Fencing, dike repair, seeding transplant, construction of waterfowl nesting structures (Blanca)		73				73
6. Fence maintenance and construction, tree thinning, dump site cleanup, road maintenance, 30 riprapping (stream stabilization structures)	23 mi. fence 12 mi. road 12 sites 1,000 acres 30 stream structures	420	70	10		500
7. Maintenance of trails & fences, tree planting, fire rehabilitation, wildlife habitat improvement, solid waste cleanup spring development & fence construction & water fac. devel. (Glennwood)		76	20	10		106
8. Cadastral Survey					99	99
Total Initial Submission		1,087	111	20	99	1,317

51-957 O - 75 - pt. 3 - 6

Accelerated Public Works Project

Idaho

($ in thousands)

Initial Submission	Units	Range, Watershed & Wildlife	Forestry	Rec.	Other	Total
MLR						
1.) Slash removal & cleanup	15 ac.		12			12
2.) Roadside brushcutting-fire prevention	25 Mi.		15			15
Total MLR			27			27
C&M						
1.) Campground maintenance, road and trail maintenance	10 sites 20 mi.			42		42
Total Initial Submission			27	42	-	69
Additional Projects						
P.L.D.R.&T						
1.) Road surfacing	15 mi.				395	395
Total additional projects					395	395
Total projects Idaho			27	42	395	464

Accelerated Public Works Project

Utah
($ in thousands)

Initial Submission	Units	Range, Watershed & Wildlife	Forestry	Rec.	Other	Total
MLR						
1. Fencing of National Resource Lands	100 miles	198				198
2. Supplemental water for livestock-pipeline and storage tank	4 miles pipe 1 tank	32				32
Total MLR		230				230
C&M						
1. Roadside cleanup, repair facilities and sign maintenance	100 miles			85		85
2. Construction of recreation sites - Garfield & San Juan Co.	2 sites			45		45
Total C&M				130		130
Total initial submission, Utah		230	--	130	--	360

Accelerated Public Works Project

Nevada
($ in thousands)

Initial Submission	Units	Range, Watershed & Wildlife	Forestry	Rec.	Other	Total
MLR						
1. Fencing for wild horse management	45 miles	90				90
2. Forest cleanup and timber stand Improvement	100 acres 185 acres		26			26
3. Spring development and maintenance	10 dev. 100 maint.	47				47
Total MLR		137	26			163
C&M						
1. Construction of Carson City District Office & yard complex					600	600
2. Construction of non-flammable storage buildings 15'x15' each	3 units				21	21
3. Gold Creek Campgrounds and picnic area construction	26 camp. picnic units			130		130
4. Road maintenance-Carson City	120 miles				190	190
5. Fire yard blacktop & grading					55	55
6. Fire yard security fence construction	1 mile				20	20
7. Construction added office space-Battle Mountain District					100	100
8. Las Vegas office expansion	1,500 sq. ft.				60	60
Total C&M				130	1,046	1,176
Total initial submission-Nevada		137	26	130	1,046	1,339

Accelerated Public Works Project
South Dakota
($ in thousands)

	Units	Range, Watershed & Wildlife	Forestry	Rec.	Other	Total
Initial Submission						
MLR						
1. Timber improvements - tree thinning	120 ac.		107			107
PLDR&T						
1. Building foot trail - Ft. Meade recreation area	3 mi.			12		12
Total initial submission			107	12		119
Additional Projects						
C&M						
1. Campground, water system	1 site			80		80
PLDR&T						
1. Road resurfacing - Ft. Meade recreation area	4 1/2 mi.			140		140
Total additional projects				220		220
Total projects - South Dakota			107	232		339

Accelerated Public Works Project

New Mexico
($ in thousands)

	Units	Range, Watershed & Wildlife	Forestry	Rec.	Other	Total
Initial Submission						
MLR						
1. Archeological survey	200,000 ac.			400		400
2. Cave identification	130 caves			25		25
2. Cave identification	22 miles	58				58
3. Missile range boundary fence						
4. Erosion control - mesquite grubbing, urie and rock control	240 acres	120				120
5. Construction of wildlife habitat improvement projects, conduct of habitat inventories - statewide		88				88
Total MLR		266		425		691
C&M						
1. Sign installation and maintenance				8		8
2. Maintence of campgrounds and trail, cleanup	20 sites 150 mi.			177		177
3. Ruins stabilization, Navajo Refugee Ruins	1 site			31		31
Total C&M				216		216
Total initial submission		266		641		907
Additional Projects						
MLR						
1. Pipeline construction, water storage drinking facilities, fencing and power lines construction		343				343

New Mexico (Cont.)

Accelerated Public Works Project
New Mexico
($ in thousands)

	Units	Range, Watershed & Wildlife	Forestry	Rec.	Other	Total
PLDR&T						
1. Rio Grande Road surfacing	4.5 miles			334		334
2. Santa Cruz Trail and foot bridge	.6 miles			79		79
				413		413
Total additional projects		343		413		756
Total projects - New Mexico		609		1,054		1,663

Accelerated Public Works Project
Montana
($ in thousands)

Initial Submission	Units	Range, Watershed & Wildlife	Forestry	Rec.	Other	Total
MLR						
1.) Timber improvement - tree thinning	175 acres		153			153
2.) Stream improvement - island constru. for waterfowl habitat	20 miles	40				40
3.) Cleanup of roads and streams logging debrit	25 miles		50			50
Total MLR		40	203	-	-	243
Total initial submissions, Mont.		40	203	-	-	243
Additional projects						
C&M						
1.) Recreation facilities constru. Bear Trap Canyon	1 site			139		139
2.) Recreation facilities constru. Hulton Lake	1 site			100		100
Total C&M				239		239
PLDR&T						
1.) Road surfacing-Garnet Range Road	5 miles				110	110
2.) Road constru.-Moose Creek Rd.	4 miles				200	200
Total PLDR&T					310	310
Total additional projects				239	310	549
Total projects - Montana		40	203	239	310	792

Accelerated Public Works Project
Oregon
($ in thousands)

	Units	Range, Watershed & Wildlife	Forestry	Rec.	Other	Total
Initial Submission						
MLR						
1. Log removal from streams, stream bank restoration and precommercial thinning in Western Oregon.	250 mi. 700 ac.	500	500			1,000
2. Soil and watershed and range improvements including fencing - 4 counties.	25,000 ac. 45 m. fence	180				180
3. Construction of horse corals for wild horses.		70				70
Total MLR		750	500			1,250
C&M						
1. Dist. Off. Bldg. construction - Vale					600	600
2. Dist. Off. Bldg. construction - Lakeview					375	375
3. Construction of shop buildings - Lakeview					150	150
4. Cleanup, maintenance and development of recreation sites - statewide				400		400
5. Installation of highway guard rails and other safety features					60	60
Total C&M				400	1,185	1,585

Oregon (Cont.)

Accelerated Public Works Project
Oregon
($ in thousands)

	Units	Range, Watershed & Wildlife	Forestry	Rec.	Other	Total
O&C						
1. Precommercial thinning 3 western counties	800 ac.		77			77
2. Maintenance of roads, ditches, and culverts and roadside cleanup Western Oregon districts	1,500 mi.				2,000	2,000
Total O&C			77		2,000	2,077
PLDR&T						
1. Grading and surfacing of Fredericks Butte Road	10 mi.				275	275
Total Oregon		750	577	400	3,460	5,187

U.S. DEPARTMENT OF THE INTERIOR
FISH AND WILDLIFE SERVICE

JOB OPPORTUNITIES PROGRAM

Numbers of Projects on National Fish Hatcheries, National Wildlife Refuges and Wetland Production Areas, and Research Stations, with Costs and Man-Years -- Nationwide Summary

Locations	Number of Projects	Cost	Man-Years
National Fish Hatcheries (28)	47	$ 1,683,000	134
National Wildlife Refuges (125)	141	13,787,000	1,033
Wetland Production Areas (26)	17	4,636,000	265
Research Stations (5)	12	1,110,000	77
Total 184	217	$21,216,000	1,509

PROJECTS
FOR
JOB OPPORTUNITY PROGRAM

RESEARCH

PRIORITY	Research STATIONS	STATE	PROJECT	Man Years Skilled*	Laborer	Total	AMOUNT
1	Great Lakes Fishery Lab.	Mich.	Overhaul research vessels	3.9	4.0	7.9	$ 100,000
2	Tunison Lab.	N.Y.	New Well	1.0	1.0	2.0	25,000
3	Great Lakes F.L.	Mich.	Holiday pond & Bldg. rehab.	9.8	9.8	19.6	250,000
4	Tunison Lab.	N.Y.	Road work	0.8	0.8	1.6	20,000
5	Great Lakes F.L.	Mich.	Rehab. heating system	7.8	8.0	15.8	200,000
6	Fish Farm E.S.	Ark.	Roof repair	1.0	1.0	2.0	25,000
7	Great Lakes F.L.	Mich.	Construct serv. bldg.	7.2	7.2	14.4	185,000
8	Eastern Fish D.L.	Ark.	Earthwork for roadway	1.0	1.0	2.0	25,000
9	Western Fish D. L.	Wash.	Research facilities	0.6	0.6	1.2	150,000
10	Great Lakes F. L.	Mich.	Sprinkler system	1.2	1.2	2.4	30,000
11	Fish Farm E. S.	Ark.	Earthwork dikes	2.9	3.0	5.9	75,000
12	Western Fish D. L.	Wash.	Laboratory Rehab.	1.0	1.0	2.0	25,000
			Sub-Totals	38.2	38.6	76.8	$1,110,000

12

5 Stations

87

PROJECTS
FOR
JOB OPPORTUNITY PROGRAM

HATCHERIES

(National Fish Hatcheries)

PRIORITY	STATION	STATE	PROJECT	Man Years Skilled*	Laborer	Total	AMOUNT
1	Jordan River	Mich.	Water line	2.3	2.3	4.6	$ 60,000
2	Alchesay	Ariz.	Repair raceways	0.6	0.5	1.1	15,000
3	Meridian	Miss.	Roadwork - driveways	0.4	0.4	0.8	10,000
4	Pendills Creek	Mich.	Fish barrier improvement	0.8	0.8	1.6	20,000
5	Hiawatha Forest	Mich.	Water supply & fish barrier	0.4	0.4	0.8	10,000
6	Coleman	Calif.	Septic tank & drain field	0.4	0.4	0.8	10,000
7	Ennis	Mont.	Water supply system	2.3	2.3	4.6	60,000
8	Willow Beach	Ariz.	Repair retaining wall	0.9	0.9	1.8	23,000
9	Norfork Beach	Ark.	Replace drain lines	1.0	1.0	2.0	25,000
10	Tehama	Calif.	Replace well	0.7	0.7	1.4	18,000
11	Alchesay-Wms. Cr.	Ariz.	Rehabilitate pond	0.3	0.3	0.6	8,000
12	Mescalero	N. Mex.	Water supply lines & structure	13.5	13.5	27.0	346,000
13	Craig Brook	Maine	Relocate water supply line	2.3	2.3	4.6	60,000
14	Willow Beach	Ariz.	Install water line	1.5	1.5	3.0	38,000
15	N. Attleboro	Mass.	Rehab. pool, pipes, drains	1.4	1.4	2.8	35,000
16	Kooskia	Idaho	Hatchery ponds & spawning fac.	4.9	4.9	9.8	125,000
17	Ennis	Mont.	Replace raceway	2.3	2.3	4.6	60,000
18	Winthrop	Wash.	Rehabilitate water supply	1.6	1.6	3.2	40,000
19	Edenton	N.C.	Fish production facilities	3.0	3.0	6.0	75,000
20	Jordan River	Mich.	Repair dam	1.0	1.0	2.0	25,000
21	Entiat	Wash.	Rehab. holding facilities	2.4	2.4	4.8	60,000
22	Pendills Creek	Mich.	Pave roads	0.6	0.6	1.2	15,000
23	Orangeburg	S.C.	Storage Bldg.	0.5	0.5	1.0	12,000
24	Coleman	Calif.	Repair dam	1.2	1.2	2.4	30,000
25	Gavins Point	S.D.	Re-roof aquarium and residence	0.2	0.1	0.3	4,000
			Sub-Totals	46.5	46.3	92.8	1,184,000

PROJECTS
FOR
JOB OPPORTUNITY PROGRAM

HATCHERIES

(National Fish Hatcheries)

PRIORITY	STATION	STATE	PROJECT	Man Years Skilled*	Laborer	Total	AMOUNT
26	Uvalde	Texas	Replace building	1.6	1.6	3.2	$ 40,000
-27	Coleman	Calif.	Rehabilitate Bldg.	0.6	0.6	1.2	15,000
-28	Gavins Point	S. D.	Bldg. repair & fish care	1.0	2.0	3.0	32,500
-29	Meridian	Miss.	Storage Bldg.	0.5	0.5	1.0	12,000
-30	Tehama	Calif.	Erosion damage	0.6	0.6	1.2	14,000
31	Mescalero	N. M.	Repair Bldg.	0.5	0.5	1.0	12,000
-32	Orangeburg	S.C.	Raise levees	0.2	0.2	0.4	4,000
-33	Coleman	Calif.	Replace rearing troughs	1.2	1.3	2.5	32,000
34	Quilcene	Wash.	Replace rearing troughs	0.4	0.4	0.8	10,000
35	Mammoth Spring	Ark.	Re-roof four buildings	0.3	0.3	0.6	8,000
-36	Kooskia	Idaho	Install walkway & fence	0.2	0.2	0.4	6,000
-37	Meridian	Miss.	Drainage ditch work	1.0	1.0	2.0	25,000
38	Creston	Mont.	Replace hatchery troughs	0.2	0.2	0.4	5,000
-39	Creston	Mont.	Road and parking area	1.2	1.2	2.4	30,000
-40	Entiat	Wash.	Improve ground water supply	0.5	0.5	1.0	12,000
41	Genoa	Wisc.	Rehab. holding facility	2.1	3.3	5.4	55,000
42	Dexter	N.M.	Re-wire residence	0.3	0.3	0.6	7,000
43	Berkshire	Mass.	Replace water supply lines	0.6	0.6	1.2	15,000
-44	Berkshire	Mass.	Rehabilitate hatchery Bldg.	2.3	2.3	4.6	60,000
-45	Berkshire	Mass.	Rehab. administration Bg.	2.3	2.3	4.6	60,000
-46	Dexter	N.M.	Shop-storage Bldg.	1.6	1.6	3.2	40,000
-47	Ennis	Mont.	Replace water line	0.1	0.2	0.3	4,000
28 Stations			Sub-Total	19.3	21.7	41.0	$ 498,500
			Grand Total	104.0	106.6	210.6	$2,792,500

47

PROJECTS FOR REFUGES

JOB OPPORTUNITY PROGRAM

REGION 1

National wildlife

	Refuge	Project	Cost	Man - Years *Skilled	Labor	Total
		California				
13	San Luis	Building improvements	$ 20,000	.5	.9	1.4
	Salton Sea	Building rehab-sanitary facilities	20,000	.8	.5	1.3
	11 California refuges	Various Maintenance projects all labor	175,000	0	26.3	26.3
		Idaho				
8	6 Idaho Refuges	Restoration & Maintenance project all labor	150,000	0	22.5	22.5
	Deer Flat	Fence Construction	35,000	0	3.8	3.8
	Camas	Fence Construction	53,000	0	5.9	5.9
		Nevada				
	Ruby Lake	Rehab buildings	21,000	.8	.5	1.3
3	Desert, Stillwater, Ruby Lake	Various Maintenance projects all labor	75,000	0	11.3	11.3
		Washington				
9	Columbia	Fencing	56,000	0	5.8	5.8
	8 Washington Refuges	Various Maintenance Project all labor	200,000	0	30.0	30.0
		Oregon				
	Hart Mountain	Rehab Natural Springs	18,000	0	2.3	2.3
11	William L. Finley	Building Regab	20,000	.8	.4	1.2
	9 Oregon Refuges	Various labor projects - all labor	120,000	0	18.0	18.0
44 units		TOTAL 13	$963,000	2.9	128.2	131.1

*Equip. Operators, Craftsmen etc.

06

PROJECTS FOR

JOB OPPORTUNITY PROGRAM

REGION 2

REFUGES

National wildlife

	Refuge	Project	Cost	Man Years *Skilled	Man Years Labor	Man Years Total
		Arizona				
4	Cibola	Maintain fences, buildings, etc.	$ 16,000	0	3.6	3.6
	Imperial	Maintain irrigation system & facilities	38,000	0	5.8	5.8
	Cabeza Prieta	Repair fence & water tanks	43,000	0	2.6	2.6
	Havasu	Fencing	36,000	0	4.6	4.6
		New Mexico				
	Maxwell	Repair fence-maintain buildings, etc.	32,000	0	4.6	4.6
	Las Vegas	Maintain fences, buildings	44,000	0	8.3	8.3
5	Sevilleta	Maintain fences, buildings, etc.	90,000.	.8	15.4	16.2
	Sevilleta	Boundary survey	105,000	0	6.7	6.7
	Bosque del Apache	Rebuild irrigation pumps	24,000	1.0	.3	1.3
	Bosque del Apache	Maintain buildings, fences, etc.	40,000	.9	6.3	7.2
	Bitter Lake	Fence repair	30,000	0	7.5	7.5
	Bitter Lake	Salt Cedar control	34,000	0	7.8	7.8
		Oklahoma				
	Salt Plains	Repair buildings, fences, water facilities	90,000	1.0	7.0	8.0
3	Tishomingo	Maintain buildings, grounds, fences	100,000	2.0	7.2	9.2
	Sequoyah	Maintain fences, roads, trails, etc.	168,000	3.0	11.7	14.7
		Texas				
	Laguna Atacosa	Maintain buildings, grounds, fences, posting	98,000	.8	8.3	9.1
	Santa Ana	Maintain buildings, grounds, fences, posting	70,000	1.0	5.7	6.7
4	Hagerman	Maintain fences, buildings, posting, etc.	54,000	.5	3.5	4.0
	Muleshoe	Maintain buildings, fences, water facilities	33,000	.5	2.5	3.0
16	Units	TOTAL 19	$1,145,000	11.5	119.4	130.9

* Equip. operators, craftsmen etc.

PROJECT FOR

JOB OPPORTUNITY PROGRAM

REGION 3

REFUGES

National Wildlife

Refuge	Project	Cost	Man - Years *Skilled	Labor	Total
	Indiana				
1 Muscatatuck	Special Restoration - labor	$210,000	0	17.4	17.4
Muscatatuck	Water Developments	870,000	33.3	7.5	40.8
	Michigan				
Shiawassee	Rehab buildings	100,000	1.0	5.4	6.4
Seney	Rehab & stabilize drainage ditch	110,000	.8	0	.8
2 Shiawassee	Fencing	30,000	.3	1.4	1.7
Seney	Rehab bridges, trails, toilets, boundary posting	150,000	2.5	6.1	8.6
Shiawassee	Rehab visitor tour routes and VIC	100,000	2.3	4.2	6.5
Shiawassee	Reconstruct levees & spillways	60,000	1.7	2.1	3.8
Shiawassee	Install dikes, ditches & pump site	100,000	1.3	3.8	5.1
Shiawassee	Replace bridge	55,000	1.3	1.3	2.6
Shiawassee	Rehab dikes	250,000	5.0	10.3	15.3
Shiawassee	Habitat Improvement	100,000	2.3	2.5	4.8
Shiawassee	Water system replacement	10,000	.3	.4	.7
Shiawassee	Rehab dikes & water control structure	55,000	1.3	2.1	3.4
	Minnesota				
Douglas & 8 other counties			1.3	4.2	5.5
WPA's	Hunter access trails	123,000			
Douglas & 8 other counties,			0	8.3	8.3
WPA's	Remove old fences	101,300	1.8	5.3	7.1
WPA	Cadastral survey	101,000	0	3.3	3.3
WPA	Boundary posting	55,000	.5	.3	.8
WPA	Environmental Restoration	15,000	.3	4.8	5.1
9 WPA	Fencing for parking lots	103,000	.8	2.2	3.0
Benson & Fergus Falls WPA	Building rehab & new construction	62,000			
WPA's	Construct dams & water control structure	19,700	.6	.4	1.0
WPA's	Establish native grasses	560,000	0	27.9	27.9
WPA's	Tree & shrub planting	14,400	.3	.5	.8
WPA's	Plant food patches	10,000	.5	.1	.6
WPA's	Boundary fencing	2,984,000	0	149.2	149.2
WPA's	Pothole Restoration	70,000	2.5	6.7	9.2
3 NWR's 9 WPA's	Total 27	$6,418,400 4	62.0	277.7	339.7
*Equip Operators, Craftmen, etc. 5		14 — 2,200,600			117.9
3 NWR's 1 WPA's		- 13 4,218,400			221.8

76

PROJECTS FOR

JOB OPPORTUNITY PROGRAM

REGION 4

	Refuge	Project	Cost	Man - Years *Skilled	Labor	Total
		Arkansas				
7	5 Arkansas Refuges	Restoration & Maintenance Project (all labor)	$396,000	0	60.0	60.0
	White River	Road Improvement	125,000	1.7	8.3	10.0
	Wapanocca	Road Improvement	50,000	.8	4.2	5.0
		Florida				
10	7 Florida Refuges	Restoration & Maintenance Projects (all Labor)	258,500	0	39.2	39.2
	Loxahatchee	Habitat improvement-Endangered Species	20,000	.3	2.1	2.4
	Lake Woodruff	Road improvement	15,000	.2	.8	1.0
	St. Johns	Environmental Restoration	10,000	0	.8	.8
		Georgia				
4	4 Georgia Refuges	Various maintenance projects & posting-all labor	197,450	0	29.9	29.9
		Kentucky				
1	Reelfoot	Various maintenance project & posting	16,500	0	2.5	2.5
		Louisiana				
	Catahoula & D'Arbonne	Various maintenance project & posting	22,000	0	3.3	3.3
		Mississippi				
2	Noxubee & Yazoo	Various maintenance projects, and Timber stand improvement all labor	302,500	0	45.8	45.8
	Noxubee	Levee rehab	200,000	1.7	14.8	16.5
		North Carolina				
4	4 North Carolina Refuges	Restoration & Maintenance projects (all Labor)	166,100	0	25.2	25.2
		Tennessee				
1	Tennessee	Cuba landing development	1,300,000	20.0	41.9	61.9
29		TOTAL 14	$3,078,550	24.7	278.8	303.5

*Equip Operators, Craftmen, etc.

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PROJECTS FOR

JOB OPPORTUNITY PROGRAM

REGION 5

REFUGES

	Refuge	Project	Cost	Man - Years *Skilled	Labor	Total
		Delaware				
1	Prime Hook	Construct refuge headquarters	$350,000	7.2	19.1	26.3
	Prime Hook	Habitat improvement	20,000	.2	2.2	2.4
		Maine				
	Moosehorn	Post wilderness areas	35,000	0	1.7	1.7
	Moosehorn	Boundary line clearing	150,000	7.5	.8	8.3
	Moosehorn	Replace heating system	3,000	2	0	.2
	Moosehorn	Habitat improvements	15,000	0	1.7	1.7
2	Moosehorn	Dike rehab	15,000	0	1.7	1.7
	Rachel Carson	Boundary posting	37,000	.2	1.2	1.4
	Moosehorn	Replace oil house	3,000	0	4.2	4.2
	Moosehorn	Rehab residense	10,000	.7	1.0	1.7
	Moosehorn	Rehab water control structures	100,000	.5	4.5	5.0
	Moosehorn	Road improvement	125,000	.3	45.8	46.1
		Maryland				
	Eastern Neck	Tree planting	30,000	.1	1.0	1.1
	Martin	Rehab tower & dock	12,000	.3	.2	.5
	Martin	Construct dike and water control structure	50,000	.5	.5	1.0
	Martin	Construct storage building	25,000	.3	.2	.5
	Martin	Signing	6,000	.2	0	.2
3	Martin	Replace office - shop	50,000	.5	.5	1.0
	Martin	Construct osprey nesting structures	5,000	0	.2	.2
	Martin	Habitat development	15,000	.2	.3	.5
	Blackwater	Building rehab & replacement	125,000	2.1	1.7	3.8
	Blackwater	Rehab shop	25,000	4	4	.8
	Blackwater	Timber stand improvement	60,000	1.3	.3	1.6
	Eastern Neck	Rehab Environmental Education Center	60,000	.3	1.3	1.6
		Massachusetts				
	Great Meadows	Timber stand improvement	11,000	0	1.5	1.5
	Great Meadows	Dike repair and rip rap	20,000	0	2.6	2.6
2	Great Meadows	Boundary Clearing	23,000	0	2.0	2.0
	Parker River	Relocate Refuge Headquarters	1,000,000	6.7	3.3	10.0
		SUBTOTAL:	$2,380,000	29.7	99.9	129.6

* Equip Operators, Craftsmen, etc.

	Refuge	Project	Cost	Man - Years *Skilled	Labor	Total
		New Jersey				
	Great Swamp	Posting and fencing	$ 30,000	.5	2.5	3.0
2	Brigantine	Building rehab	10,000	.4	.4	.8
	Great Swamp	Construct wildlife Interpertive Trail	100,000	3.0	0	3.0
		New York				
	Iroquois	Construct YCC buildings	40,000	1.4	1.9	3.3
	Iroquois	Habitat development	40,000	1.8	2.3	4.1
2	Montezuma	Construct refuge office & other buildings	750,000	16.7	5.0	21.7
	Montezuma	Rehab buildings	90,000	.3	1.3	1.6
		North Carolina				
	Mackay Island	Construct trap site	4,000	0	.4	.4
	Mackay Island	Shoreline stabilization	20,000	0	1.9	1.9
1	Mackay Island	Rehab storage building	10,000	.3	0	.3
	Mackay Island	Boundary posting	6,000	0	.8	.8
	Mackay Island	Road improvement	100,000	2.5	1.8	3.5
		Pennsylvania				
	Tinicum	Dike rehab	100,000	.3	1.3	1.6
2	Erie	Timber Stand Improvement	17,500	.2	1.7	1.9
	Tinicum	Environmental Restoration	50,000	.2	4.8	5.0
	Erie	Construct shop	18,500	.3	.7	1.0
		Vermont				
	Missisquoi	Rehab access road	5,000	.3	0	.3
	Missisquoi	Rehab channel	50,000	.4	0	.4
	Missiquoi	Habitat improvement	10,000	0	.4	.4
1	Missisquoi	Dike construction	50,000	1.0	0	1.0
	Missisquoi	Construct trails	6,500	0	.8	.8
	Missisquoi	Marsh rehab	30,000	.4	4.2	4.6
	Missisquoi	Boundary posting	8,000	0	.3	.3
		Virginia				
	Fishermans Island	Environmental Restoration	4,000	0	.4	.4
	Chincoteague	Habitat Improvement	712,000	6.9	68.7	75.6
2	Fishermans Island	Construct parking area	10,000	.1	.3	.4
	Chincoteague	Road improvement	50,000	.4	2.6	3.0
		SUBTOTAL:	$2,321,500	37.4	103.7	141.1
	18 Nwr's* Equip Operators, Craftsmen, ect.	Grand Total:	$4,701,500	67.1	203.6	270.7

55

PROJECTS FOR

JOB OPPORTUNITY PROGRAM

REFUGES

REGION 6

REGION 6

	Refuge	Project	Cost	Man - Years		
				Skilled*	Labor	Total
		Colorado				
1	Alamosa	Environmental restoration	$ 53,400	0	3.5	3.5
		Missouri				
	Mingo	Rehab and Environmental restoration	268,400	1.0	25.5	26.5
		Montana				
3	UL Bend & Bowdoin	Rehab buildings, remove fences, etc.	50,000	1.7	1.8	3.5
	Benton Lake	Fence repair	36,000	0	1.1	1.1
		Nebraska				
1/1	-Hasting WMD	Fencing, cleanup, parking area construction	31,800	.5	2.5	3.0
	Crescent Lake	Maintain fences, windmills, buildings signs etc.	21,000	.5	1.5	2.0
		North Dakota				
14	-WPA's	Fence Construction	315,200	0	34.5	34.5
		South Dakota				
3/1	-Madison WMD	Fencing, posting, site cleanup	35,500	0	3.0	3.0
	-Lake Andes WMD	Posting, site cleanup, weed control	35,500	0	3.0	3.0
	Waubay	Posting, site cleanup, weed control	22,900	0	2.0	2.0
		Utah				
	Bear River	Maintain dikes, fences, buildings	49,500	0	1.7	1.7
	Bear River	Habitat Restoration	23,700	0	.8	.8
	Fish Springs	Habitat improvement & Restroation	50,000	0	4.4	4.4
9 NWR's 17 WPA's		TOTAL: 13	$992,900	3.7	85.3	89.0

* Equip Operators, Craftsmen, etc.

9 NWR's
17 WPA's

9 — 574,900 — 45.5 ✓

4 — 418,000 — 43.5 ✓

992,900

PROJECTS FOR

JOB-OPPORTUNITY PROGRAM

ALASKA AREA

REFUGES

			Man - Years		
			*Skilled	Labor	Total
Aleutian	Erect Warehouse	$ 20,000	.3	.3	.4
Arctic	Environmental Restoration	110,000	.4	2.1	2.5
Arctic	Biological Survey	25,000	0	1.0	1.0
Arctic	Building rehabilitation	24,000	.3	.2	.5
Clarence Rhode	Erect prefab buildings	11,000	.1	.7	.8
Clarence Rhode	Rehabilitate buildings	10,400	0	.7	.7
Kunivak	Erect prefab quarters	30,000	.3	.4	.7
Izembek	Buildings, rehab & erect hangers	20,000	.2	1.0	1.2
Izembek	Paint headquarters buildings	10,000	.3	0	.3
Kenai	Construct headquarters buildings, roads, etc.	600,000	12.5	4.7	17.2
Kenai	Fence repair, road repair, erect shed	59,000	.8	.6	1.4
Kenai	Rehab buildings	12,000	.6	0	.6
Kenai	Prepare fire lines	8,000	0	.6	.6
Kenai	Repair damage-campground & visitor access	25,000	1.0	.5	1.5
Kenai	Boundary survey & posting	90,000	.3	1.2	1.5
Kenai	Maintain hiking trail	10,000	.5	0	.5
Kenai	Rehab boat dock	60,000	.8	.8	1.6
	TOTAL 17	$1,124,400	18.4	14.6	33.0

17 Jobs

* Equip Operators, Craftsmen, etc.

NATIONAL PARK SERVICE
WASHINGTON, D. C. 20240

February 20, 1975
AB

NPS PROGRAM TO AID THE
REDUCTION IN HIGH UNEMPLOYMENT

The National Park Service could logically participate in a Public Works Program to reduce high unemployment with a tremendous secondary benefit in the enhancement of America's parks, especially for the Bicentennial celebration beginning in 1976. While we have made considerable improvements in the 23 Bicentennial areas with a $104 million construction program over the last three years, there is a considerable amount of work yet to be done in these and the other 275 National Park areas. The types of work involved (building and utility systems repairs, grounds improvement, campground renovation, boundary marking, vista clearing, roads and trails reconstruction, resurfacing, and many others) can easily be accomplished by day labor or by contract, thereby creating employment in both the private and Federal sectors. The National Park Service's proposed program will result in an estimated 24,309 man-months of employment in 34 states and particularly in those counties adjacent to park areas where unemployment is the highest. The program total is $40,016,000 summarized by appropriation as follows:

Operation of the National Park System	$ 5,216,000
Planning and Construction (Buildings and Utilities, etc.)	20,800,000
Road Construction (Roads and Trails)	14,000,000
Total	$40,016,000

SUMMARY OF JOB OPPORTUNITY PROGRAM
BY STATE AND PARK AREA

State	Percentage of Unemployment by State	Park Area	Man-Months of Employment	Cost $000
ROCKY MOUNTAIN REGION				
Colorado	4.3 3/	Great Sand Dunes NM	7	$ 11
		Hovenweep NM	7	10
		Mesa Verde NP	888	1,420
		Total	902	1,441
Montana	7.1	Bighorn Canyon NRA	66	100
		Glacier NP	512	820
		Grant-Kohrs Ranch NHS	80	128
		Total	658	1,048
Utah	6.3 1/	Arches NP	9	11
		Bryce Canyon NP	327	523
		Canyonlands NP	113	181
		Glen Canyon NRA	113	180
		Natural Bridges NM	79	105
		Total	641	1,000
Wyoming/Montana	7.1 2/	Yellowstone NP	965	1,544
		Total	965	1,544
	Total Rocky Mountain Region		3,166	5,034

State	Percentage of Unemployment by State	Park Area	Man-Months of Employment	Cost $000
NORTH ATLANTIC REGION				
Maine	8.7	Acadia NP	237	$ 379
		Total	237	379
Massachusetts	9.4	Cape Cod NS	100	158
		Total	100	158
New Jersey	7.3 4/	Edison NHS	84	134
		Morristown NHS	41	68
		Total	125	202
New York	7.6	Fire Island NS	100	204
		Gateway NRA	250	450
		Statue of Liberty NM	380	600
		Total	730	1,254
Rhode Island	9.1	Roger Williams NMem	17	25
		Total	17	25
		Total North Atlantic Region	1,209	2,018

Area	Percentage of Unemployment by State	Park Area	Man-Months of Employment	Cost $000
NATIONAL CAPITAL PARKS				
Maryland	4.7 9/	Chesapeake & Ohio NHP	3,800	$6,000
		Total	3,800	6,000
	Total National Capital Parks		3,800	6,000
MID-ATLANTIC REGION				
Maryland	4.7 10/	Assateague Island NL	42	85
		Total	42	85
New Jersey	7.3	Delaware Water Gap NRA	375	600
		Total	375	600
Pennsylvania	7.1	Allegheny Portage Railroad NHS	350	560
		Delaware Water Gap NRA	208	324
		Fort Necessity NB	56	73
		Gloria Dei NHS	121	260
		Independence NH[	1,085	2,170
		Johnstown Flood NMem	37	55
		Hopewell Village NHS	92	146
		Total	1,949	3,588

State	Percentage of Unemployment by State	Park Area	Man-Months of Employment	Cost $000
MID-ATLANTIC REGION (continued)				
Virginia	4.6 11/			
		George Washington Birthplace NMem	22	$ 25
		Total	22	25
	Total Mid-Atlantic Region		2,388	4,298
SOUTHEAST REGION				
Florida	7.4			
		Biscayne NM	15	30
		Total	15	30
Georgia	7.4	Andersonville NHS	50	100
		Ocmulgee NM	58	80
		Total	108	180
North Carolina	8.1			
		Blue Ridge Parkway	885	1,062
		Carl Sandburg NHS	42	61
		Great Smoky Mtns. NP	408	816
		Kings Mtn. NP	46	69
		Total	1,381	2,008

State	Percentage of Unemployment by State	Park Area	Man-Months of Employment	Cost $000
SOUTHEAST REGION (continued)				
Puerto Rico	14.1	San Juan NHS	1,138	2,175
		Total	1,138	2,175
Tennessee	6.0 5/	Chickamauga and Chattanooga NMP	240	359
		Total	240	359
Virgin Islands	14.1 6/	Virgin Islands NP	66	126
		Total	66	126
	Total Southeast Region		2,948	4,878
MIDWEST REGION				
Indiana	7.5	Lincoln Boyhood Home NMem	30	45
		Total	30	45
Michigan	11.1	Apostle Island NL	280	422
		Isle Royale NP	182	293
		Pictured Rocks NL	72	116
		Sleeping Bear Dunes NL	137	198
		Total	671	1,029

State	Percentage of Unemployment by State	Park Area	Man-Months of Employment	Cost $000
MIDWEST REGION (continued)				
Minnesota	6.4 14/			
		Voyageurs NP	196	250
		Total	196	250
Missouri	5.8 12/			
		Jefferson National Expansion Mem	16	27
		Ozark NSR	172	276
		Total	188	303
Ohio	6.7			
		Mound City Group NM	15	24
		Perry's Victory IPM	1,505	3,005
		Total	1,520	3,029
Wisconsin	6.3 13/			
		Saint Croix NSR	50	50
		Total	50	50
	Total Midwest Region		2,655	4,706

State	Percentage of Unemployment by State	Park Area	Man-Months of Employment	Cost $000
SOUTHWEST REGION				
Arizona	7.1	Navajo NM	28	$ 41
		Sunset Crater NM	93	139
		Total	121	180
Louisiana	6.1 7/	Chalmette NHP	230	355
		Total	230	355
New Mexico	6.9	Aztec Ruins NM	21	35
		Bandelier NM	438	618
		Canyon de Chelly NM	92	136
		El Morro NM	21	31
		Chaco Canyon NM	92	128
		Fort Union NM	42	62
		Hubbell Trading Post NHS	60	90
		Pecos NM	19	29
		Total	785	1,129
Texas	5.1 8/	Amistad NRA	95	170
		Total	95	170
		Total Southwest Region	1,231	1,834

State	Percentage of Unemployment by State	Park Area	Man-Months of Employment	Cost $000
WESTERN REGION				
Arizona	7.1	Arizona Archeological Center	17	$ 24
		Casa Grande Ruins NM	10	11
		Chiricahua NM	33	44
		Grand Canyon NP	499	966
		Montezuma Castle NM	105	184
		Organ Pipe Cactus NM	50	80
		Petrified Forest NP	66	106
		Tonto NM	55	88
		Tuzigoot NM	7	11
		Walnut Canyon NM	65	104
		Total	907	1,618
California	8.6			
		Cabrillo NM	178	267
		Channel Island NM	29	44
		Death Valley NM	1,692	2,539
		Fort Point NHS	12	135
		Golden Gate NRA	1,049	1,679
		Joshua Tree NM	39	59
		Lassen Volcanic NP	171	275
		Muir Woods NM	3	4
		Point Reyes NS	101	161
		Sequoia NP	238	380
		Whiskeytown NRA	78	125
		Yosemite NP	573	1,061
		Total	4,163	6,729

State	Percentage of Unemployment by State	Park Area	Man-Months of Employment	Cost $000
WESTERN REGION (continued)				
Hawaii	7.8 4/			
		City of Refuge NHP	82	$ 122
		Haleakala NP	67	107
		Hawaii Volcanoes NP	119	140
		Total	268	369
Nevada	9.3			
		Lake Mead NRA	224	359
		Lehman Caves NM	4	6
		Total	228	365
		Total Western Region	5,566	9,081
PACIFIC NORTHWEST REGION				
California	8.6			
		Lava Beds NM	25	50
		Total	25	50
Idaho	6.6	Nez Perce NHP	16	25
		Total	16	25

State	Percentage of Unemployment by State	Park Area	Man-Months of Employment	Cost $000
PACIFIC NORTHWEST REGION (continued)				
Oregon	7.9			
		Crater Lake NP	31	$ 62
		Oregon Caves NP	44	67
		Total	75	129
Washington	8.0			
		Coulee Dam NRA	114	136
		Fort Vancouver NHS	165	329
		Mount Rainier NP	293	469
		North Cascades NP	220	330
		Olympic NP	356	570
		San Juan Island NHP	33	50
		Whitman Mission NHS	49	79
		Total	1,230	1,963
		Total Pacific Northwest Region	1,346	2,167
		NATIONAL PARK SERVICE TOTAL	24,309	$40,016,000

51-957 O - 75 - pt. 3 - 8

1/ Utah unemployment rate, 6.3%; however, rate of unemployment in Garfield, Kane and San Juan Counties much higher.

2/ State of Montana unemployment rate on November 30, 7.1%; Wyoming rate 4.2%. Labor force will be recruited in Montana.

3/ Colorado rate is 4.5%, but Alamosa and Montezuma counties are running at 8%.

4/ Unemployment rate on November 30, 1974.

5/ The rate in three counties, Catoosa, Hamilton and Walker is 7.5%.

6/ Department of Labor figures not available. Park personnel obtained unemployment data from local employment office.

7/ Unemployment rate for St. Bernard Parish is 7.0%.

8/ Val Verde County rate is 7.0%.

9/ Allegany County unemployment rate is 10.4%

10/ Worcester County rate of unemployment is 16.1%.

11/ Westmoreland County rate of unemployment is 9.8T.

12/ State unemployment rate is 5.8%; however, St. Louis County is 6.6% and Carter and Shannon Counties, 10%.

13/ Unemployment in Burnett and Sawyer Counties is 11.4%.

14/ Unemployment in St. Louis and Koochiching Counties is 9.1%.

BUREAU OF INDIAN AFFAIRS

Appropriation	Increased funds which can be used in FY 1975 ($ in 000)	Employment Generated in Man-years	States Effected
Construction	57,385	1,611	
Buildings and Utilities	(54,489)	(1,526)	
Irrigation	(2,896)	(85)	3/
Road Construction	21,489	610	3/
Operation of Indian Programs	55,325	5,217	
Education	(25,000)	(1,800)	1/
Indian Services	(12,000)	(1,700)	1/
Tribal Resources Development	(10,226)	(1,039)	1/
Trust Responsibilities	(2,800)	(310)	2/
General Management and Facilities Operation	(5,299)	(368)	3/
Totals	134,199	7,438	

1/ Alaska, Arizona, California, Colorado, Florida, Idaho, Iowa, Kansas, Louisiana, Michigan, Minnesota, Mississippi, Montana, Nebraska, Nevada, New Mexico, New York, North Carolina, Ohio, Oklahoma, Oregon, South Dakota, Texas, Utah, Washington, Wisconsin, Wyoming.
2/ New Mexico, North Dakota, Washington, Wyoming.
3/ See narrative.

OPERATION OF INDIAN PROGRAMS

(1) Education $25,000,000

The additional funds could be used very effectively in school classrooms both federal and non-federal. The primary expenditure would be for employment of teacher-aids, educational-aids, instructional-aids, tutors, and counselors.

(2) Indian Services $12,000,000

Housing (10,000,000)

Law Enforcement (2,000,000)

Increased funding would reduce the backlog of much needed housing for Indians. These funds would construct 500 new homes and rehabilitate 4000 others.

Contracts with tribes or tribal groups for increased law enforcement personnel, much needed for understaffed programs on many reservations.

(3) Tribal Resources Development
The proposals include:

a) $538,000 for business enterprise development projects.

b) $1,953,000 for 60 road maintenance projects in 13 states.

c) $3,035,000 for 12 Indian Action Teams in 12 states.

d) $4,700,000 for soil, water, forest and range conservation and development projects, with activity in all states served by the Bureau.

(4) Trust Responsibilities
The proposals include:

a) $1,000,000 for 10 water resource studies and plans in 4 states (Washington, North Dakota, New Mexico, Wyoming).

b) $1,800,000 for real estate survey related inventories and plans.

(5) General Management and Facilities Operation
See Attached

APPROPRIATION	AMOUNT	MYRS.	STATES	NARRATIVE
1. Operation of Indian Programs				
A. Facilities Management	259,100	25	Arizona	Facilities and grounds improvement
	57,000	3	Florida	Such as: Minor Repairs, Painting, grounds clean-up, . etc.
	94,200	9	Idaho	
	25,000	3	Minnesota	
	13,000	2	Nebraska	
	121,500	12	New Mexico	
	206,000	21	North Dakota	
	193,300	18	Oklahoma	
	177,600	17	Oregon	
	377,000	35	South Dakota	
	420,500	40	Washington	
Sub-Total	1,944,200	185		
B. Major Rehabilitation	684,000	37	Arizona	Major Rehabilitation of facilities
	127,500	7	Alaska	Such as: Renovate water system, reroof buildings, resurface parking areas, remodel restrooms, etc.
	178,000	10	Florida	
	264,000	14	Kansas	
	207,600	11	Minnesota	
	166,800	9	Montana	
	742,600	41	New Mexico	
	207,500	11	Oklahoma	
	255,600	14	South Dakota	
	521,400	29	Washington	
Sub-Total	3,355,000	183		
TOTAL	5,299,200	368		

Construction

Buildings and Utilities
(See Attached)

Irrigation

These funds would be used to carry on construction of presently authorized and designed projects as follows:

Ft. Belknap	$300,000	Montana
Northern Pueblos	160,000	New Mexico
Southern Pueblos	170,000	New Mexico
Duckwater	479,000	Nevada
South Fork	340,000	Nevada
Goshute	106,000	Nevada
Walker River	300,000	Nevada
Pyramid Lake	250,000	Nevada
Fallon	250,000	Nevada
Michand	100,000	Idaho
Flathead	450,000	Montana
	$2,896,000	

APPROPRIATION	AMOUNT	MYRS.	STATES	NARRATIVE
2. Construction				
A. Major Alterations and Improvements				
Headquarters:			South Dakota/	
Aberdeen Area, South Dakota	910,000	25	North Dakota	Major Alterations and
Albuquerque Area, N. Mexico	730,000	18	New Mexico	Improvement of buildings
Anadarko Area, Oklahoma	500,000	13	Oklahoma	and utilities. Includes
Billings Area, Montana	180,000	4	Montana	correction of unsafe and
Juneau Area, Alaska	1,610,000	38	Alaska	unsanitary conditions;
Minneapolis Area, Minn.	120,000	3	Minnesota	correction of functional
Muskogee Area, Oklahoma	290,000	6	Oklahoma	deficiencies; modernizatio
Navajo Area, New Mexico	1,150,000	28	Arizona/New Mexico	of facilities.
Portland Area, Oregon	170,000	4	Oregon/Idaho/Washington	
Sacramento Area, Calif.	20,000	1	California	
Eastern Area, D. C.	229,000	5	Mississippi/Florida	
Phoenix Area, Arizona	930,000	26	Arizona	
B. New Construction	6,839,000	171		
Comp. Southwestern Indian Poly. Institute	8,000,000	216	New Mexico	
Pine Ridge High School	8,200,000	266	South Dakota	
San Felipe School	4,600,000	142	New Mexico	
Haskell Student Center	1,500,000	46	Kansas	
Haskell Dormitories	3,000,000	92	Kansas	
Seneca School	6,900,000	173	Oklahoma	
Phoenix Auditorium and Pool	3,200,000	100	Arizona	
	35,400,000	1,035		
New Construction Requiring Legislation				
Ramah School Phase II	5,400,000	160	New Mexico	
Rough Rock School Phase II	4,000,000	104	Arizona	
	9,400,000	264		

APPROPRIATION	AMOUNT	MYRS.	STATE	NARRATIVE
Design Projects				
Standing Rock High School Comp.	130,000	3	North Dakota	
Riverside School, Oklahoma	270,000	5	Oklahoma	
Tuba City Elementary School	720,000	14	Arizona	
Wingate Elementary School	600,000	12	New Mexico	
Red Rock Elementary School	200,000	4	Arizona	
Cibrcise School	60,000	2	Arizona	
North Cheyenne High School Comp.	270,000	5	Montana	
Isleta Day School	180,000	4	New Mexico	
San Juan Day School	120,000	3	New Mexico	
Zia Day School	120,000	3	New Mexico	
Santa Clara Day School	180,000	4	New Mexico	
Sub-Total	2,850,000	59		
TOTAL	54,489,000	1529		
GRAND ENGR.	59,788,200	1897		

Road Construction

The proposals for road construction include 60 projects in 13 states as follows:

State	No. Projects	$(Thousands)
New Mexico	7	$6,682
Oklahoma	5	905
Arizona	6	2,630
California	4	98
Utah	1	70
Washington	6	2,846
Oregon	3	1,055
Idaho	6	870
Alaska	5	309
South Dakota	8	3,303
Nebraska	1	50
Montana	7	1,880
Wyoming	1	791
Total	60	$21,489

U.S. GEOLOGICAL SURVEY
Surveys, Investigations, and Research
Proposed Programs for Job Opportunities

Program Title	Proposed Funding Level	Number of Jobs Involved	Description
National Mapping Program	$5,000,000	441	Map finishing (scribing), photogrametric compilation, field surveys, and aerial photography. Much of which could be contracted out. Work could be accomplished in all areas of the U.S. This program would contribute significantly to completion of identified National needs for 1:100,000 scale mapping.
National Geologic Mapping	5,000,000	150	This program is for systematic geologic quadrangle mapping for land, mineral, and energy resource appraisal and to assess geologic hazards. Work would be performed in all areas of the U.S. This program will provide basic data needed to cope with present and impending critical shortages of domestic resources.
Up-grading Water Resources Data Collection Facilities	4,500,000	612	Rehabilitation of facilities and correction of safety deficiencies of gage wells, cableway and bridge crossings Sites are located in each state and Puerto Rico. There are over 10,000 in the U.S., many of which need repairs.
National Ground Water Information System	2,500,000	330	To accelerate indexing and storage of groundwater data and related information in the Geological Survey's Ground Water Data Management System. This system is used by both Federal and State agencies. Jobs would be located in all States.

Program Title	Proposed Funding Level	Number of Jobs Involved	Description
EROS Data Center Sioux Falls, S.D.	$484,000	32	This program would provide for (1) control of noxious weeds on Federal land amid agricultural area and provide wildlife habitat and reforestation; (2) projects related to protection of Federal property and for safety of thousands of visitors at the Sioux Falls Data Center; (3) construction of a secondary truck entrance and emergency exit for employees; and (4) storage facilities at Sioux Falls Data Center (present storage facilities are located 16 miles distance).
Publications Operations	165,000	23	Additional employees would be utilized to assist in eliminating backlog of requests for publications and information in Geological Survey Public Inquiries Offices located in Reston, Va.; Washington, D.C.; Dallas, Texas; Denver, Colo.; Spokane, Wash.; Salt Lake City, Utah; Los Angeles, Calif.; San Francisco, Calif.; and Anchorage, Alaska.
TOTAL	17,649,000	1,588	

BUREAU OF MINES

Programs for Job Creation

Mines and minerals ..	$1,004,000	71 jobs
Helium fund	22,000	3 jobs
Total	$1,026,000	74 jobs

If additional ceiling and funds are made available, the Bureau of Mines could employ 74 persons at research facilities in various locations. Additional employees would be hired in Metallurgy Research Centers to work on current research projects involving development of improved mineral processing technology, recovery of minerals from lower grade ores and wastes, and operation of research pilot plants. Additional employees could also be hired for mining research and demonstration activities involving health and safety, coal preparation, and mined land investigations, as well as for cataloging equipment.

Location and Type of Employment

Location	Total	Employment			
		Prof.	Clerical	Skilled	Unskilled
Minneapolis, Minn.	6			2	4
Tuscaloosa, Ala.	5		1	1	3
Salt Lake City, Utah	7		1	2	4
Rolla, Missouri	5		1	1	3
Reno, Nevada	4		1	1	2
Edmonston, Maryland	7		1	2	4
Kellogg, Idaho	6			2	4
Boulder City, Nevada	4			1	3
Albany, Oregon	7	1	1	1	4
Wilkes-Barre, Pa.	15	2	3	10	
Bruceton, Pa.	5				5
Amarillo & Masterson, Tex.	3	-	1	-	2
Total	74	3	10	23	38

Professional employees would be engineers.
Skilled employees would be craftsmen of various types.
Unskilled employees could be high school graduates or those with some high school.

MINING ENFORCEMENT AND SAFETY ADMINISTRATION

SALARIES AND EXPENSES

Listing of Projects that Could Create Employment Opportunities During 1975

	Type of Project	Location	Total Estimated Cost	Materials	Labor	Employment Man-Years (Labor Only)	Remarks
1.	Construction	Morgantown, West Virginia	$ 500,000	$ 250,000	$ 250,000	20	General Purpose Space Requirements.
2.	Construction	Princeton, West Virginia	400,000	200,000	200,000	15	General Purpose Space Requirements.
3.	Construction	Pineville, West Virginia	250,000	125,000	125,000	10	General Purpose Space Requirements.
4.	Construction	Beckley, West Virginia	600,000	300,000	300,000	20	Illumination Laboratory.
5.	Renovation	McAlester, Oklahoma	25,000	5,000	20,000	2	General Purpose Space Requirements.
6.	Construction	Vincennes, Indiana	1,000,000	500,000	500,000	40	General Purpose Space Requirements.
7.	Design	Pittsburgh, Pennsylvania	500,000	--	500,000	20	Design of General Purpose Building. Total Estimated Cost, $6 million.
	Total.....		$3,275,000	$1,380,000	$1,895,000	127	

SUMMARY
Proposed Projects - Job Opportunities Program
Bureau of Reclamation
February 25, 1974

Name	State	Purpose	Man Months	Fed. Cost (00
Boise	Idaho	Recreation	864	$1,790
Yakima	Wash.	Recreation	162	60
Columbia Basin	Wash.	Recreation	53	52
Yakima	Wash.	S&MC	48	40
Recreation Equip.	Idaho	Recreation	156	200
Columbia Basin	Wash.	Fish & Wildlife	120	80
Mindoka	Idaho, Wyo.	Recreation	980	2,150
Granite Reef Aqueduct CAP	Arizona	Revegetation	400	500
Paradise Valley, CAP	Arizona	Recreation	950	1,000
Rio Grande River	New Mex.	Channel Stab.	216	140
San Juan-Chama	New Mex.	F&W & Recreation	45	40
13 Small Projects	NM.,Okla.,Tex.	Recreation	1600	1,200
Mancos	Colorado	S&MC	8	20
Vallecito Res.	Colorado	S&MC	11	25
Grande Valley	Colorado	S&MC	30	50
Smith Fork	Colorado	S&MC	15	20
Uncompahgre	Colorado	S&MC	30	50
Navajo	New Mexico	S&MC	20	30
Weber Basin	Utah	S&MC	70	115
Emery County	Utah	S&MC	15	20
Hotchkiss National Fish Hatchery	Colo., Utah	F&W	175	288
Seedskadee	Wyoming	Recreation & F&W	300	300
Bostwick Park	Colorado	Recreation	120	235
Bonneville Unit, CVP	Utah	Recreation	1150	2,450
Vernal Unit, CVP	Utah	Recreation	62	116
Emery County Projects	Utah	Recreation, F&W	540	846
Lyman	Wyoming	Recreation	90	150
Hyrum	Utah	Recreation	47	94
Mancas	Colorado	Recreation	133	266
Fruitgrowers	Colorado	Recreation	75	150
Pine River	Colorado	Recreation	106	211
Taylor Park	Colorado	Recreation	60	120
Navajo Unit	Colorado.,NM.	Recreation	140	330
Dear Creek	Utah	Recreation	145	318
Scofield	Utah	Recreation	200	336
Weber Basin	Utah	Recreation	873	1,573
Collbran	Colorado	Recreation	210	346
Curecanti	Colorado	S&MC	80	160
Smith Fork	Colorado	Recreation	30	56
Silt	Colorado	Recreation	20	36
Paonia	Colorado	Recreation	3	6

Name	State	Purpose	Man Months	Fed. Cost ($)
Lake Berryessa	California	Recreation	95	$ 244
Stony Gorge & East Park	California	S&MC	42	8[illegible]
East Putah Creek	California	S&MC	30	10[illegible]
Huntley	Montana	Channel Stab.	60	116
Lower Yellowstone	Montana, ND.	Channel Stab.	124	200
Riverton	Wyoming	Channel Stab.	120	200
Canyon Ferry	Montana	Rec. & S&MC	110	200
Milk River	Montana	Rec. & S&MC	87	150
East Beach	Montana	Rec. & S&MC	87	150
Sun River	Montana	Rec. & S&MC	114	200
Buffalo Rapids	Montana	Channel Stab.	15	20
Shoshone	Wyoming	Rec. & S&MC	56	100
Boysen	Wyoming	Rec. & S&MC	114	200
Lonetree Res.	ND.	Recreation	50	75
Chain of Lakes	ND.	Recreation	125	200
Lake Brekken	ND.	Recreation	63	100
Devils Lake	ND.	Recreation	69	105
Lake Tschida	ND.	Recreation	68	108
Dickinson	ND.	Recreation	23	35
Jamestown	ND.	Recreation	23	35
Belle Fourche	SD.	Recreation	6	10
Shadehill	SD.	Recreation	13	25
Angostura	SD.	Recreation	19	25
Pactola	SD.	Recreation	38	50
Keyhole	Wyoming	Recreation	94	125
Lower Marias	Montana	Recreation	37	50
Yellowtail	Montana	Recreation	104	200
Yellowtail Camp	Montana	Recreation	444	400
Colorado Big Thompson	Colorado	Recreation	315	468
Various Reservoirs	Kansas	S&MC	600	525
Various Reservoirs	Nebraska	S&MC	200	200
Pueblo Dam	Colorado	S&MC	239	467
Pueblo Reservoir	Colorado	Recreation	540	600
		Total	14,477	$21,647

SUPPORT OF REQUEST

Senator ROBERT C. BYRD. Do you support this request?

Secretary MORTON. Yes; I support it, providing I know where it starts and where it stops.

Senator ROBERT C. BYRD. This is the reason I'm asking the question. I thought I detected in your original response some concern and I'd like for you to elaborate on it. The subcommittee would like to know whether these moneys are going to be reasonably spent, whether these programs will be job intensive, and whether you support them.

JOB OPPORTUNITY PROGRAMS

Secretary MORTON. Let's take, from a practical point, where they are. These are jobs, obviously, that are primarily in the construction field. We build dams, powerplants in the Bureau of Reclamation. We have also some range improvement, exactly how intensified, as far as labor is concerned, I'm sure Jack Horton knows, most of this work is done, and much of it is automated to a great deal.

Then we have the building of facilities and roads and parks and the building of facilities and roads on Indian reservations. Those are the programs that we're in that fill the category that you're talking about, where we let it out on bids, where contractors submit the bid and where in the normal process they are awarded.

You could obviously take a budget like the Bureau of Reclamation with its great backlog of public works and you could say, "All right, we're going to go from its present high $300 million level to, say, some reasonable figure of $400 million or $500 million without having to expand the whole Department and the laboratories out in Denver and all the rest." There'd be some figure in there.

I would obviously support that kind of a proposition and I'd also think we should consider when this particular project would be completed because this might, under certain circumstances, be quite counterproductive.

We'd have to take those kind of things that can be completed in a reasonable time frame, and those are the kind of propositions that I think we could look at very constructively.

If you just suddenly decided to throw x hundred million dollars and said, "Here, use this money to create jobs," you really get a little apprehensive about it. I would certainly, as I'm sure every other Secretary that has programmatic areas. I'd like to build more Indian roads. I'd like to do a great deal more in historic restoration. I think this uses the kind of people that are now out of work, the skilled house-building type that are out of work.

I think we could expand that very significantly, but you couldn't expand a $20 million program into a $200 million program without a lot of waste. That's what I'm saying.

Senator ROBERT C. BYRD. I don't want to belabor the point here but let's take one example. Perhaps you're in a position to respond to this and perhaps you're not.

Take the Forest Service, for example; how many job opportunities and how much funding for such jobs would be envisioned by the supplemental appropriations for that agency.

Secretary MORTON. I would have to get the Department of Agriculture to furnish that for you, Mr. Chairman.

We would have some in the Oregon and California grant lands and those forest lands that the BLM operates. There should be a reforesting opportunity. I think it's up to us and I'd ask Secretary Horton and his people in the Bureau of Land Management to see what we could do without wasting any money. I think that's what you're trying to say.

Senator ROBERT C. BYRD. Yes.

Then you will supply for the record the information that Senator Stevens and I asked for?

Secretary MORTON. Yes; we have completed all this work. I'm sure if it hasn't been made available to you, we'll have it to you as soon as possible.

STACK GAS CLEANUP PROCESS

Senator ROBERT C. BYRD. I only have one question left and that has to do with your reference on page 5 of your statement to the citrate process. Is that the stack gas cleanup process that would leave as a residue a large amount of sulfuric sludge?

Secretary MORTON. Let us write to you on the technical aspects of that.

Senator ROBERT C. BYRD. I've been reading a little about it. To my understanding, there's a lot of opposition to this project and a lot of questions about it because of the sludge that would be left over and the cost of that process, and some observers feel that it would be a way to avoid having this residue of sludge by producing sulfur, pure sulfur.

Secretary MORTON. Let me ask Dr. Falkie, head of the Bureau of Mines, who will appear before you very soon, to really give you a good technical briefing in what I call layman's language that we can all understand, because what I was told is that the process generates essentially no sludge but, as you just stated, it does produce elemental sulfur which can be easily stored and for which there is a market. It may have to be further perfected in several ways but I think it's important that this project not be abandoned.

LOCATION OF PILOT PLANT

Senator ROBERT C. BYRD. Where is this pilot plant located?

Secretary MORTON. I will have to find that out for you.

Senator ROBERT C. BYRD. If you will supply that information for the record, please.

Secretary MORTON. This would be one of those programs that we have with somebody already in the business, one of the electric power companies.

[The information follows:]

CITRATE PILOT PLANT

The location of the proposed citrate plant has not yet been decided upon. Negotiations are currently in progress with several interested parties who are proposing to construct and operate a citrate plant on a cost-sharing basis with the Bureau of Mines. However, we do feel quite confident that the plant will be constructed in the mid-central or eastern part of the country.

Senator ROBERT C. BYRD. Senator Chiles, would you act as chairman for the rest of the day?

Mr. Secretary, I would like to thank you and your associates for your responses to the questions. I will not be able to stay longer. I will be in touch.

I do have additional questions which I would ask Senator Chiles, if he would, to get into the record for me.

Secretary MORTON. Thank you, sir.

DEVELOPMENT OF HYDROELECTRIC POWER IN ALASKA

Senator STEVENS. Mr. Secretary, in the energy program I'm worried about the problem of development of hydroelectric power in my State. I'm told that 55 percent of all the hydropower potential left in our country is in Alaska and that only 0.2 percent of that potential has been developed.

We have tried to see what can be done, for instance, to develop a hydropower base for providing a pumping station for the Alaska pipeline and perhaps a gas pipeline to follow it rather than use some of that as hydrocarbons that could be exported to areas that don't have this type of potential.

Do you believe we ought to follow that up? We have our university and others dealing with the concept of creating hydrogen as the result of development of hydroelectric power, for using that as a base for reducing water into components and taking the hydrogen out to other areas for use. I'm not talking about Rampart now. I know it's been a big argument in the past.

I see my good friend there, the Commissioner of Indian Affairs, and he knows the problems we've got in that.

There are three projects that would make up for Rampart and provide almost as much power as the same river, the Yukon River. I wonder why it is that nothing has been done, as far as I can determine, nothing has been done since the days of the Mike Stavros report on the reclamation retention of the power potential of Alaska back in the late 1940's to develop any major interior hydroelectric power as far as Alaska is concerned. Is this at all included in your Project Independence, for example?

Secretary MORTON. Certainly I think we should go ahead and develop the logical hydroelectric power on the basis, in this country, that it can be used, and it can pay its way out.

As you know, Alaska is not a reclamation State. It's a Corps of Engineers State. The demand for this additional electric power in Alaska, of course, is a fairly recent development, but I certainly would feel very strongly that the whole matter of the development of compatable, hydroelectric power compatable with other man-uses for Alaska would be very much in keeping with the Project Independence philosophy of making ourselves energy self-sufficient.

Senator STEVENS. You know my great respect for you, but without trying to be argumentative, my staff also tells me that almost every one of these projects is going to be foreclosed by the Congress' approval of two recommendations that you made to the Congress last June.

Secretary MORTON. Congress has 5 years in which to do this. Certainly the question of hydroelectric development should be put into the debate.

Senator STEVENS. I'm sure I'll put it in the debate, but I'm trying to seek a little support from your area as far as the reservation of the sites that have this great potential.

Secretary MORTON. I think one of the things that ought to be done, very frankly, is to make the case for the development of the hydroelectric power of Alaska and the timeframe in which it would be economically feasible in terms of its utilization.

We're hoping to develop the Alaska Power Administration into the kind of an organization, which I think I've discussed with you privately, that can do this kind of planning and can come forward with the kinds of studies that will put the development of hydroelectric power in its proper perspective.

We were under the gun under certain mandates to do a specific job under the Alaska Native Claims Act. I think we did a good job.

Senator STEVENS. I have defended you on that position, and I agree Congress gave you that task; but there's nothing in this request to upgrade the agencies that we contemplated might be able to do this task, if I understand it. We've not gotten any request for additional funds for that purpose.

Secretary MORTON. No; because I'm not sure we need additional people. We seem to have, in my opinion, enough people there and enough resources to do this job.

I think, too, the State of Alaska has a role in this, and I will be very honest with you: I don't think over time that the concern for the development of Alaskan hydroelectric power has ever been put on anybody. Secretaries of the Interior felt that it was more of a Corps problem and I think the Corps probably has put it into a relatively low priority and nobody really has been in charge of this concept and the developing of this concept. If this is our responsibility, then perhaps we should take it and run with the ball, but I think we ought to——

Senator STEVENS. We've assumed, and perhaps it's our error, but I think Alaskans have assumed it was Interior's responsibility. The Corps of Engineers was the construction agency and the Bureau of Reclamation was the marketing agency, but the impetus behind new starts in Alaska would have to come from Interior.

I'll take a hand in giving you the responsibility, Mr. Secretary.

Secretary MORTON. I would like to have it. I will take the responsibility and we will try to come down on precisely this program. Now, it's very hard to get large capital appropriations for hauling coals to Newcastle, and you have an abaundance of energy in Alaska. You've got to face up to that.

It sure might be a higher use eventually to move those hydrocarbons that will run those pumping stations on down to Valdez and on into the lower 48 markets. You have to weigh the capital costs and the repayment system that would be required under any reasonable set of principles and standards to go with a massive investment in hydroelectric power into a State that already has an abundance of energy from much lower capital intensive sources.

Senator STEVENS. I appreciate that. That's what we want someone to do for us, to make that comparison. I think my colleagues would understand the difference between using the amount of oil we're going to use on this pumping station and use the capital investment now to use hydropower over a series of 30 years. All that oil and all that gas

would come down here, and I think there's going to be an unlimited demand on Alaskan gas and oil, as I understand it.

OPPOSITION TO A NEW ENGLAND HYDROPOWER SITE

Let me shift over to one other thing. I'm informed that the New England States have opposed Lincoln as a hydropower site; they've opposed a nuclear power site; and they now oppose the offshore development.

In that area, is there any other alternative source? Is there anything being done to see what other types of energy might be developed that might be compatible with their desires, or are we going to be faced with continual demand from that portion of the country for imported oil and the resulting leverage it gives the Arab countries?

Secretary MORTON. I hope, Senator Stevens, that we are on the move toward a more reasonable and enlightened position. New England today is highly dependent on imported oil, and imported products; namely residual oil.

I think there is a fear and apprehensive feeling that offshore development will ruin their tourism, will have a very bad and detrimental effect on their waterside environment and actually this is not true. But they will suffer greater pollution by hauling that oil in through ships than they will by pipeline from offshore developed facilities. People are beginning to realize this.

To answer your question, there is no viable alternative in the short term to imported oil except for domestic oil and gas. The more sophisticated types of technology are not going to be on stream until well toward the end of this century and we are in the fossil fuel age.

I think that the people of New England are going to have to reckon with this. We're trying to be patient. We're trying to communicate. We're trying to educate, and I think we're making some progress.

Senator STEVENS. I don't want to prolong this and I'm sure my colleagues have some questions they would like to ask. I appreciate your great support for some of the decisions that have been made in the past affecting our State.

REVENUE SHARING

I am of the opinion that unless the executive branch is willing to come down hard on the concept of revenue sharing from the offshore areas, as far as oil and gas and mineral development from the OCS is concerned, that we're going to continue to have the opposition that we have even in my State.

So, my last question to you is this: based on the telephone call that I had from a very old friend who used to be in the oil business and isn't any more, he suggested to me that we ought to ask for the government to consider a pass-through like the county provisions in the development of national forest lands so that not just the States but the counties actually involved, such as Santa Barbara, such as the counties in New England, such as the counties that would be affected in the development in the southeastern part of the United States for offshore development, would have a direct financial interest.

Has the county option been considered as far as your studies have been concerned?

Secretary MORTON. Yes; in this respect we have several options. We've sent over an option paper to the President dealing with this, in terms of alternatives, at this point, without a specific recommendation to him as to whether we go ahead. We have presented him with an option which we think is the best of the options that we sent over. The other option, of course, is remaining with the status quo.

That option does provide for a distribution of funds through the general revenue-sharing formula. This, obviously would get, not only to the State governments but to local governments on a proportional basis that has been worked out in the general revenue-sharing formula.

Senator STEVENS. Is that like the revenue sharing on public lands, the direct revenue sharing from bonuses and from leases?

Secretary MORTON. This would be across-the-board sharing of all of the revenues that are developed, both front money and royalties.

Senator STEVENS. On an automatic basis?

Secretary MORTON. Yes, sir.

Senator STEVENS. Without application?

Secretary MORTON. Yes; this would have to be a law passed by Congress.

Senator STEVENS. I have such a bill in, but it doesn't have the county option in it and I really hadn't thought of it, as a matter of fact. I think that's the key.

A friend of mine that lives in Santa Barbara says he thinks that would be the difference in Santa Barbara. If Santa Barbara thought it had the money to protect itself all along the line it wouldn't have so much opposition.

Secretary MORTON. We have been trying to get the people to recognize that national responsibility that they have. There hasn't been any effort to buy them with these kinds of programs, and you know well that the national revenues that are generated by mineral leasing are a very important part of the national revenues.

INTERIOR RECEIPTS

If you break that down, you have an immediate reduction in the Federal revenues. I think our contribution is estimated in this next year, in the budget year that we're talking about here, being in the order of $9 billion. There would be a question of how much you would invade that, and there would be a question, too, as to the distribution. There are a great many people who feel that there should be a distribution, at least of part of those funds that would be distributed to the States, not just to the coastal States, but to all the States.

So, we've got to come up with some kind of a program that is equitable. Some kind of a program that doesn't pull the rug out from under the national treasury, and some kind of a program that does address itself to the impact that offshore development would have on a specific area of a coastal State.

That's what we're trying to do. We have several options for the President's study and he's anxious and interested in getting into this. He and I have had several conversations about it, and I think we're getting ready to sit down with the budget people and try to come up with what looks like a reasonable answer.

Senator STEVENS. I congratulate you. I call your attention to my bill. It provides that 25 percent of the revenues goes to noncoastal States and I think that also is the key.

We've got all these mayors, in fact the chairman of this group is from our own Anchorage borough and he wants a general revenue-sharing proposition increase.

I'd much rather keep it at the same level and let them take the risk as well as the coastal States, in terms of the potential development of the OCS. Then I think we'd hear a lot less from them about developing the OCS.

But I congratulate you. I hope we can get at this very soon because I think it's going to make the difference of whether our State comes down harder than it has, in terms of its opposition to development of the Gulf of Alaska.

Secretary MORTON. You're dealing, too, with a sufficient amount of money that you would have to consider the revenue side and you certainly have to look hard at your whole tax structure if you began to move any substantial part of these revenues out of the Federal Treasury.

Roy Hughes has been working on this and has been devoting a great deal of time to it, and he may want to add something for the record.

INCENTIVE FOR DEVELOPMENT OF OCS

Senator STEVENS. Let me tell you, if we took $4 billion more added to that $8 billion to come out of the same fund, out of the general treasury, and if you have an incentive for the development of OCS, you can well make your $9 billion revenue into $20 billion within a short period of time.

I don't think you're reducing the amount that comes into the Treasury; you're actually increasing it when you use revenue sharing as an incentive.

Secretary MORTON. I think that's a matter of judgment.

Mr. HUGHES. We are, in fact, looking at those sorts of impacts, Senator; in addition to the revenue-sharing option that we're now working on, another factor that would relate to your Santa Barbara comment is the unlimited liability bill that the administration is looking at.

There are two sorts of impacts. One is the catastrophe when there is a spill. We think the unlimited liability idea is the best way to go and that would, in fact, establish a fund. We're working on the details of that.

The actual impact, in terms of intrastructure for places like the Akatac in Alaska where you have to look to roads, sewers, schools, et cetera, is what we're trying to address in the option paper, to meet legitimate impacts of OCS development.

Senator STEVENS. I think that would be the absolute key and you'll find things humming as far as the OCS is concerned, if they had the front-end money to protect themselves and participate in environmental considerations from the very beginning.

Secretary MORTON. I'm delighted in your interest, and we'd certainly like to involve you in some of the hearings we have around the country.

Senator STEVENS. I've been involved in it but I'm usually not welcomed at some of those in terms of my views.

I thank you very much. I'm sure we'll be seeing each one of your colleagues individually when they come in for their particular sections.

Secretary MORTON. We appreciate your interest.

Senator CHILES [presiding]. Mr. Secretary, we were just discussing your time with staff. I'm wondering what your schedule is. Maybe we could stay until, say, 1 o'clock and finish this up without any afternoon period of time.

Senator Hollings is going to return and has some questions. He's going to be back at 12. I have some questions that I thought we'd touch on right now.

Secretary MORTON. I have a kind of command performance on Pennsylvania Avenue at 12:45 with my immediate boss.

Senator CHILES. I think we could free you up probably by that time. You've been sitting at the table for a couple of hours now. Would you like a 5-minute recess?

Secretary MORTON. We might rotate here if we get in trouble, but I'm fine.

BASELINE STUDIES

Senator CHILES. Could you give me some kind of progress report on how we're doing on our baseline studies? In particular, I'm interested in the ones in the northeast gulf.

Secretary MORTON. Roy Hughes has been our Assistant Secretary of Programs and Budget, and has been heavily involved in this.

Mr. HUGHES. Yes, sir. We can give you a detailed account. The baseline studies in the gulf are underway. We're about to award some contracts in the next 2 months for baseline studies in the Atlantic. We're also working with NOAA on a contractual basis to use their survey ships in the Alaskan waters to begin baseline studies in those areas, in anticipation of the tentative schedule we announced in November of 24 sales over a 4-year period.

We can give you a detailed account of what that is.

Senator CHILES. If I could get a detailed account, I'd be happy to receive that.

[The information follows:]

MAFLA BASELINE STUDIES

All the sampling and analysis for the Northeast (MAFLA) gulf baseline study have been completed. The final report is due on the 1st of April, and we would be happy to send you a copy. We are also working out the final details of the monitoring study. The monitoring study will be done by the same group that completed the baseline study—State University System of Florida, Institute of Oceanography.

OFFSHORE LEASING

Senator CHILES. There are a number of different proposals floating in Congress toward changing the method by which we lease for offshore oil. As the administration, you've asked for some additional changes in addition to some of the ones that are floating around, or that the Congress has introduced.

Specifically, what kind of authority have you asked for there in regard to change in the bid process, the front-end money?

Secretary MORTON. We have a lot of leeway under our current authority. For example, we are now considering a proposal to prohibit joint bidding, and a proposal to require more unitization of exploration on structures. The unitization proposal could make exploration more

efficient, and perhaps eliminate some of the dry holes that are now being drilled. All of this is within the framework of the authority we have now. We have not asked for new authority because we do not need it.

Mr. HUGHES. There are two items, Mr. Chairman, for which we may ask additional authority. One is revenue sharing. If the administration decides to change its current posture on OCS revenue sharing, we would have to ask for new legislation. The other item is the unlimited oilspill liability bill that's under review in the administration. This would also require new legislation. Our other proposals, however, are within the current legislative authority.

Senator CHILES. Would you take the position that you now have the authority presently, in case you wanted to go into a proposition where the Government was going to, in effect, be the proprietor, the licensing company, to come in and drill for the oil on a license basis, where the Government would own the fee, much as we find our foreign neighbors doing in licensing the oil companies to explore, paying them a fee in oil or in kind. Do you have that authority?

Mr. HUGHES. Mr. Chairman, the act requires that we lease the areas on a competitive basis, but in theory we probably could proceed with Government exploration. We have not chosen that course, nor do we support it at this time. It will be the subject of hearings within the next several weeks.

Senator CHILES. Government exploration is one thing, but Government licensing of companies for the production is another. I'm talking about operating as Venezuela does.

Mr. HUGHES. We do not have that authority. We must lease the areas on a competitive bid basis, which I think would preclude licensing, in terms of specific flow rates.

PROFIT-SHARING TECHNIQUES

Secretary MORTON. We've been thinking a lot of profit-sharing techniques as opposed to our present techniques. Studies have been underway.

We also have some geological options. We can develop stratographic information through stratographic drilling, or structure drilling, both of which are helpful in upgrading our geologic information.

However, I think one should look at what the return has been to the country under the present leasing system. Sixty-five percent, or roughly that amount, of all gross revenues on the Outer Continental Shelf are estimated to go to Government, State or Federal. There hasn't been any ripoff of the public in any sense of the word.

The fact is, in talking to a lot of the economists and a lot of oil people that know their business, there is some real concern that the present system is a little bit too much in favor of the Government, and we are constantly reviewing that. For example, in our royalty bid experiment, the royalty bids ranged up to 70 to 75 percent of the oil. It seems unlikely that there is much profit left for lessees after paying those royalties. Even with the current high oil prices of $11 a barrel, costs could not be much above $2 to $3 before development would be uneconomic.

Especially in these times when everybody's down on the oil industry, we have to be careful about changing the current leasing system. Put-

ting the Government in the exploration business is one of those things we should be very cautious about. In a Government exploration program, we might just drill some dry holes and then give up too soon. It is worth noting that in the Norwegian sector of the North Sea, almost everybody picked up their marbles and went home after drilling 29 dry holes. But somebody hung in there and drilled one more and found oil. Some observers have estimated ultimate recoverable sea oil reserves at 40 billion barrels. We have to ask whether oil would be found at all in a situation like the North Sea, if the exploration program were run by a Government. Under a Government exploration program you're just not going to get the oil in the timeframes that are needed.

Senator CHILES. I understand that we have gotten considerable revenue, and maybe a major share of the revenue, as you say. I don't dispute those figures, but it seems to me the rules of the game are changing. At one time we were seeking revenue for the Treasury——

Secretary MORTON. Now we're seeking oil.

Senator CHILES. Now we're seeking oil and we're seeking a long-range control over that oil, or down the line we're seeking control over that oil so we can determine what it's going into, whether we're going to burn it up, or whether we'll have it available for our special chemicals and the other things that it appears necessary for us to do.

Secretary MORTON. I think you've got two different things, Senator Chiles. You've got the development of the resource and then the allocation of the resource. I think that you have to keep those two things separate in your mind, and you should recognize that we now have quite a broad allocation authority, particularly if you get in a jam.

Senator CHILES. I think we have two other things in the development. One is the finding of it—the exploration and how best to go about doing that; and the second is how best to develop it and utilize it, to exploit it after we've found it.

It seems to me we ought to give ourselves the ability to use all the tools and not just continue as we are because we did something 20 years ago and because the oil companies would like us to do something one particular way. We don't necessarily need to handicap ourselves with that.

Secretary MORTON. I fully agree with that. We just haven't seen a better way, and we think one of the most effective tools in this whole business is the profit motive.

Senator CHILES. I think it is, and again I think we're talking about—one, about finding and, two, about exploiting. It seems to me that if we find something, and if we use Government control in our exploration, as we're talking about a possibility of doing, we find the dome, or we find something, it doesn't particularly make sense to me that we market that on a royalty in which the Government ends up with 16 percent and we allow the companies to take more than that.

We look around and see Venezuela, where they know what's at Lake Maracaibo or someplace like that, and the Government gets 91 percent and gives the companies 9 percent for the license fee of taking it, or whatever else is a reasonable fee. There's no reason we should handicap ourselves and block ourselves into some situation just because it's been a pattern in the past.

EXPLORATION AND DEVELOPMENT OF COAL

The other question I wanted to ask you is along the lines that we're now going with this. Is there any thinking that the Department is doing in regard to the exploration and development of coal on Government land, and how we're going to do that in the future as compared with how we've done it in the past?

Secretary MORTON. A great deal. First, I'm going to let Jack Horton go into it, but I have virtually a moratorium on the past system ever since I've been Secretary. I haven't issued any Government leases except to expand an ongoing, already existing mining operation, to make sure the mining operation stayed in business, because I think our whole leasing system in the past was based purely on speculative investments on the part of the lease holders and not set into a program for the utilization, transportation, and development of coal.

So, we're in the process of developing, first, a programmatic impact statement which is very comprehensive and very time consuming, and then from that working with the States because the States have an interest and most of those Western States are checker-boarded between State and Federal lands, almost as though their maps were created with a shotgun.

We have to have a program that works with the States and we're in the middle of, now, trying to put that all together and come up with a program that (*a*) will protect the environment, and (*b*) will insure the production and utilization of coal, and in an orderly way.

MINERAL LEASING ACT

Mr. HORTON. Senator Chiles, I think we can best describe our process at the present time as a transitional phase between an old order of approximately 50 years' duration starting in 1920 with the enactment of the Mineral Leasing Act of that year. For the first 50 years of the program it would be fair to say that the Government saw its responsibility as one primarily of reaction to request for coal, substantially by speculators, as the Secretary has said.

Since 1970, for the last 5 years, the Secretary has had a de facto moratorium, a policy to grant short-term leases only under, essentially, emergency conditions.

And in this period, together with the concerns under the new environmental era, we're attempting to revise that program into one that is much more responsive to public needs, one which we call positive management.

In the first 50 years, the BLM in the Department of the Interior has leased about 16 billion tons of coal which are now not being produced. There was a loophole in how the Mineral Leasing Act was implemented, that although the main part of the act requires the coal to be diligently developed, operated, and produced, lessees could pay relatively low rentals in lieu of development. This allowed a number of companies, or individuals who essentially were not coal-mining companies, to sit on the coal.

So, the first thing we're doing is to change and refine our concept of diligence so they must either produce the coal or relinquish the lease.

What we're requiring them to do is come up with a 2-year mining plan and then mine according to that plan. We're also revising the rules and regulations of the Geological Survey, which Assistant Secretary Carlson could speak to, and those of the BLM, to make them reflective of the National Environmental Policy Act.

As the Secretary said, we're expanding our efforts to complete a very thorough environmental impact statement on the entire coal program.

LAND USE MANAGEMENT ETHICS

We have upgraded the way that the Bureau of Land Management actually manages land under the new land use management ethic, and once areas are nominated by industry for development for coal, they're put into the BLM's land use management system, through which trade-off decisions are rationally made and a "Management Framework Plan" produced.

If you look at where we were 5 years ago and then at the new program that we're going into, it would be very clear I think, to the public, and I hope to the Congress, that we are entering a new era in the way the Government manages and develops public resources.

Mr. CARLSON. I might add, Senator, on the exploration of coal, we probably know 80 to 85 percent of the resources, at least those in the foreseeable future. The unknown reserves of coal are much less than we find in our other resources, including oil and gas.

FEE STRUCTURE

Senator CHILES. What about the fee structure? Is that also undergoing——

Mr. HORTON. Yes; undergoing, in the Department right now, a very intense examination of the adequacy of the royalties that we require on Federal resources, particularly coal.

Senator CHILES. Mr. Secretary, we've had some discussions before about the old Mineral Leasing Act and especially the provision whereby, when someone got a prospecting permit and soon discovered something of value, you were required to grant a lease. Are you asking for any change in that law?

Secretary MORTON. We've had before the Congress, for some time, the whole matter of review and restructure and amendments to the 1872 Mining Act. We haven't gotten very far with it, frankly.

Senator CHILES. You're still pushing that? Are you saying that Congress is dragging its heels?

Secretary MORTON. It's not so much Congress. It's very complicated.

I served, as you know, on the Land Law Review Commission, and I don't think you can put it against the Congress. It's so complicated and there are so many laws that are involved that I don't think we have really presented them yet with a clear enough picture of precisely what we want.

We've been working with this and with the authorization committee but there are so many things that have overridden this, such as the NEPA Act and the development of the impact studies of various kinds. We now have another consideration and that is, what about the schools and the roads and what's going to happen to the communities, and all of that.

I think we have got to come forward with a little bit better package and that's precisely what we're trying to do.

OLD MINING LAWS

If I were sitting on the Interior Committee—either of the House or the Senate—I'm not so sure I would have taken up this sword and taken up the challenge of reviewing and revising these old mining laws.

You have a tremendous difference between the point of view of the Western States' people and other States. They've got an entirely different feeling about the whole finder's-keeper's philosophy. It grew up in the West. It's their constituency and we, somehow, have to take that into account. We just can't abandon that. Those people can't take that.

Senator CHILES. I understand some of those problems and of course the argument that I'm putting before the Secretary is that if NEPA does override the act, especially in my particular situation with the Oceola Forest, at some stage we need to know whether it does override or it does not, or whether you're forced to issue those permits or not, and whether Congress needs to change the law in that regard.

I agree we've got all these dark areas, grey areas, and no one knows exactly what the requirements are now.

Mr. HORTON. Senator Chiles, we have before the Department—but not yet on the Secretary's desk—a decision document for his review, that we'll have in the next couple of weeks, and that is on the issue of what constitutes commercial quantities.

If you have a prospecting permit, in the past you have received a preferential lease, if you could demonstrate it was there, the material, in commercial quantities. The issue that we're looking at is the criteria for the determination of commercial quantities based on marketability, the opportunity to go out and sell it to somebody. Is it dependent upon profitability? Is it dependent upon a calculation of secondary costs, such as environmental costs?

Roy Hughes has an excellent option paper now, which the Department is coming to grips with, and we should have a decision, I would guess, within a month. That would refer to the phosphate problem in Oceola as well as the coal.

Senator CHILES. It might solve one part of the problem. Of course, another major part of the problem is assuming that it is in commercial quantities there.

What if it is going to destroy the environment? What if it is going to destroy the characteristic of forest or whatever else?

MULTIPLE USE CONCEPT

Secretary MORTON. I think the problem, very frankly, Senator, is the question of the multiple use concept of the forest lands. We're not as burdened with this decision as Agriculture is. If it were a National Park, forget it; if it were a wilderness area, forget it; if it were a Fish and Wildlife Refuge, possibly. But Forest Service has an organic mandate for multiple use.

We enter into the environmental picture because we are required to look at it from the environmental point of view. But the final deci-

sion has to be made as to whether the multiple use, organic mandate of the Forest Service, is going to be applicable in the case of this kind of mining or not.

It is a very knotty problem because you've got it, not only in the Oceola National Forest, but you've got it other places in the country, the same thing. You have those who feel that the forests should not be a place where mineral resources are locked up, and you also have those, usually in the West, feeling that multiple use should continue.

Senator CHILES. Of course, then you get into how do you have multiple use. It's one thing if you're going to put a hole in the ground, and say that you still have the forest around that hole; or if you're going to graze some cattle and say you can still grow trees while you're grazing cattle. It's another thing if you're going to take one-third of the forest and you're going to strip mine it. I have a hard time seeing how you're going to have multiple use of a forest if you're going to root up trees. That's a little hard for me, but let me get on to some other questions.

Senator Hollings, the Secretary is going to have to leave at 12:45 for an appointment with the President. I think in about 5 minutes, I'll be finished.

NEPA AMENDMENTS

Secretary MORTON. For the record, I'd like to add one point. The question was, Did I feel that we should amend the NEPA Act, and I think the answer is no.

Senator CHILES. It really wasn't the NEPA Act. I was wondering whether we needed to amend something in the Mineral Leasing Act.

Mr. HORTON. Senator, we are proposing that now, and we have for 2 years various amendments to the Mineral Leasing Act of 1920. Those concerns would be rectified.

We have one bill especially for coal, and another blank bill for all leasable minerals. This would give the Government, together with the Congress, much greater leverage on determining the stage between exploration and leasing.

We are now bound by the law of 1920 and until it's amended, we will have difficulties like the one we have in Oceola.

ENERGY GOALS

Senator CHILES. Mr. Secretary, you were stating the goal of trying between 1975 and 1985 to produce 1.2 billion tons of coal, and the other goals of getting up to 4 million barrels a day from the offshore oil supply, and you were, I think, replying to Senator Byrd's question, that you felt that this year what you were seeking in the budget in regards to R. & D. money, and other money, was sufficient.

Do you have at this time, in your position as the chief energy person, coordinating ERDA and all of the different departments, the kind of a plan in effect that not only tells us what this goal is, but tells us the steps that we're going to have to take, and what the cost of those steps is on a year-to-year basis—in other words, carrying us to 1985, if that's when you expect to have this division.

Secretary MORTON. In the first place, obviously, there will be a geometric increase in these production curves if we have any success at

all. It can't happen all of the sudden that we get on an annual rate of anything like a billion tons a year of coal.

We are beginning—and the FEA is doing most of the basic economic studies—to really determine the amount of capital that is going to be required, and where the constraints are; material constraints, such things as drilling rigs, particularly marine drilling rigs, oil country goods of all kinds, coal mining machinery, both surface mining machinery and deep mining machinery; where the curves of production cross the limitations, material limitations; or what we would expect there would be available in the cash flow of the industries themselves to make the necessary investments, and all of the other economic considerations that are going to have to be understood and are going to have to be allowed to work if we're going to get from here to there. I hope that someday before the end of the second quarter of this year we've got this pretty well spelled out.

There have been a lot of economic studies by various groups. One of the panels of the council on critical choices has come up with some rather staggering figures of the amount of capital that's going to be required in various areas of the energy spectrum. Coal happens to come out a little better and a little cheaper in terms of investment per quadrillion BTU's; then either oil or gas or nuclear power. It would appear that for the whole coal segment of the energy economy that it's somewhere in the neighborhood of $40 billion to get the job done in terms of investment.

OIL AND GAS DEVELOPMENT

That would be exceedingly encouraging if that turns out to be the case, because we're looking at figures of around $250 billion to $300 billion, as far as oil and gas development is concerned, over the same time frame. The whole thing, including the technology that has to be put in place in this time frame to assure us of more sophisticated sources in the early part of the next century, totals, according to their preliminary estimates, about $800 billion. When you give those kinds of figures to the economists and the economic advisers and to the Treasury people, and they begin to digest those figures, you begin to see some limitation; but if you project the growth of the country out, and with the emphasis that there will be on energy, you end up saying it's perfectly possible to get from here to there.

What I think we've got to do is identify these constraining areas, whether they be material, whether they be legal, or whether they be manpower, or whatever they are—identify them and begin early on to make the adjustment to solve them and not try to solve them on a crash basis when they show up by implementation of the Defense Production Act or something like that, which inevitably robs Peter to pay Paul.

GOAL-ORIENTED PROGRAM

Senator CHILES. Yes, sir, I think that's what I'm seeking, and I'm glad you're making the studies that you are. Are we structured so that we can develop some kind of a goal-oriented Apollo-like program, in which we say that between now and then not only do we expect to have

this kind of figure, but this is how we're going to do it, and these are the problems?

Railroads, for example—what do we do about transportation? How do we make this available to the places, if needed? How do we know that we have the technology so that we can burn the coal when we have it without choking ourselves to death? It's a mammoth task, but I hope that we're starting to develop that.

ECONOMIC GROWTH OF THE UNITED STATES

Secretary MORTON. I wouldn't want you to get any misapprehension. In fact, with what you're asking for, and what I'm asking for, maybe we're both trying to achieve the impossible.

Is there really a blueprint for the economic growth of the United States between now and the end of the century? It's a very vast undertaking, and there's a great deal of controversy, and there's a great deal of opinion in there that you can't separate out. One institution comes up with one set of answers, another institution with another.

At least in Operation Blueprint we began to get the dimensions of the problem. What you're saying is, do we have the dimensions of the solution—and I want to be very sure that I don't mislead you. We don't. We're working toward it, but it may take a tremendous amount of pooling of resources beyond the capability of anything that we have now in Government or in any single institution outside of Government.

Senator CHILES. If you need the resources from the Congress for that or additional help at any time, I would hope that that request would be forthcoming very soon.

Secretary MORTON. I think when FEA comes before you, and I think they will, you will see what directions they'd like to go, and this is a very logical place to put this together, because they cover the whole spectrum.

Senator CHILES. Senator Hollings?

GOVERNMENT'S EXPLORATORY DRILLING

Senator HOLLINGS. Thank you, Mr. Chairman, and thank you, Mr. Secretary. I'll submit most of my questions for the record because you're pressed for time.

On exploratory drilling what's the objection to the Government contracting for exploratory drilling?

Secretary MORTON. Our primary objection is that we really are not in a position to do a good job of it. Oil and gas exploration is a very uncertain business. It's like a roulette game, you bet on the 6 and I bet on the 8, and 11 wins.

If we put the Government into the exploratory drilling business then we're making the call on where the drilling should be and we're making the call where the structure should be identified for investment. We bet on eight. But if you'll give a chance to the fellow who wants to bet on the 6, and the fellow who wants to bet on the 11, and the fellow who wants to bet on something else, the chances of one of them winning are a lot better than putting all your money on one number. That's the way it is.

I think a great example is in the North Sea. If we had the experience in the North Sea, I would come in here and be in front of you and you would just rake me up and down the coals because I would have drilled 29 dry holes, one right after another.

That's the nature of it. Geology is such a big thing, it's best to let everybody who thinks he has a red-hot idea get in the act. If he's willing to bet his chips, you begin to get exploration.

Now, I think there's a great deal more we can do in designing our sales and designing our nomination procedure and designing our unitizing of structures. We can do more by separating exploration from development, and we are working on that to insure better control over development, which, I think, is desirable. But, I think if we suddenly took over all the responsibility of the world of geology, which we would be doing in a Government exploration program, there would be substantial risk in finding the oil.

Senator HOLLINGS. That world of geology is no bigger than the world of space. You've got the NASA division of Government.

Secretary MORTON. But we knew where the Moon was; there wasn't any question about that.

Senator HOLLINGS. There have been a lot of misfires. They just had one the other day. It's not an exact science. It's only that geology is bigger than space, and the risks are greater, you say?

Secretary MORTON. It's probably less mathematically certain.

Senator HOLLINGS. Less mathematically certain. Well then, you get into another field; you're talking about the hazards of bringing in these dry holes.

In Vietnam the State Department has been digging a dry hole for the last 10 years, and the Secretary of State still keeps coming up to the Hill, and he's probably the most popular of the Cabinet officers around here in the last 4 or 5 years, with due deference to you. I think you're personally more popular with me.

GOVERNMENT WORKING WITH INDUSTRY

Why couldn't we get the Government to work together with industry? The Continental Shelf is not all that complicated. There are going to be some dry holes. There are bound to be. That's expected. With 29 dry holes nobody is really putting everybody in the North Sea out of business. If they continue drilling, they're going to get that oil.

We can look at the experience of private companies in the art of not only exploratory drilling but bringing in the oil. It's being brought in and it has been done for years on end, and it's not all that exact.

I don't see why you couldn't, in conjunction with the private sector, where they've got a certain amount of expertise. I'm not in support of a Government corporation, but there are Senators who submitted legislation to that effect.

I see nothing wrong with the state of the art, with the U.S. Geological Survey contracting for stratigraphic drilling now, for testing, and other requirements hand-in-hand with industry itself. Are there any other objections on your part—other than the immensity of the world of geology, that it is just too big for us?

Secretary MORTON. Yes, if the Government gets into drilling, then who calls the tune? Who monitors the Government? Who is the higher authority that sets up the regulations?

Senator HOLLINGS. We would at least, for a change, have something to monitor. Who monitors it now?

Secretary MORTON. We do.

Senator HOLLINGS. Then my answer to you would be that we monitor the program of contract drilling, just like we're doing it now under lease. What's wrong with that? Do you think something is wrong with your monitoring?

Secretary MORTON. Wait a minute, Senator Hollings. You know good and well that I can set up regulations over industry and take them into court if they fail to carry out the stipulation. I can and do do this constantly.

If the Geological Survey is out there on the rig, then who's going to be the fellow that monitors who environmentally? You're going to have to create something else over them, it seems to me.

The Government, basically, is not an action-oriented institution. We have a demonstration coal mine, but it's purely research. Even in space, all of the hardware was contracted from private industry. The Government determined the quality control and the Government determined whether the quality control was up to the specifications of the contract.

Now, if we put the Government out there drilling for oil, then who makes the judgment as to whether they drilled it in the right place? They're going to defend themselves, if they go out and drill on this structure here and they take the cream of the structure, but who will judge their work? And if the Government takes the best of the structure, industry will lose their interest in exploration, and the thing is not going to be as competitive.

I haven't seen a real good case made for the Government moving into the business, and I haven't seen a real good case against having private enterprise do this job.

INTERIOR MONITORING SYSTEM

Senator HOLLINGS. Apparently you misunderstand me. I am not talking about the Government doing the drilling. It would be by industry under contract. Now, your monitoring system, you think, is adequate?

Secretary MORTON. It's always something we can improve, because the technology and the state of the art is moving ahead. We know a great deal more about choke valves today than we knew about them at the time of the Santa Barbara spill.

In fact, this part of the technology has moved very well and we're encouraging research and we've got now 130-odd inspectors out on the rigs, whereas only a year ago we had only 30 or 35. We've been able to get more funds, we've been able to do a better job. Obviously, quality control is something we should never be satisfied with.

Senator HOLLINGS. You would characterize it is a good monitoring system?

Secretary MORTON. I think it's the best in the world.

Senator HOLLINGS. What's the matter with the best in the world being applied by you to the contractors that are being monitored now,

similarly under a contract for exploratory drilling? You said you couldn't do it because of the monitoring system.

Secretary MORTON. You virtually have that now. We decide now what tracts are going to be sold, and we do this on an exploratory basis, and we stipulate that there has to be some action on that lease within a given length of time or they have to give it up.

So you have that kind of control now. We select structures, we select the number of structures, and we impose a diligence requirement for them to be developed, and yet, at the same time, they are not in our employ.

Senator HOLLINGS. You monitor the diligence?

Secretary MORTON. Yes, sir.

Senator HOLLINGS. And it's working?

Secretary MORTON. I think so. We're not going to get as much oil.

Senator HOLLINGS. In geology, with a system that's working, and the monitoring that's characterized by you as the best in the world, are there any other objections that you can think of to a Government-contracted exploratory program?

Secretary MORTON. The basic objection is: Why do it that way when we've got a great energy industry in this country that has done a fabulous job of bringing oil resources to the world, and in the United States has brought it at a price that has been cheaper than anywhere else in the world?

Why suddenly turn away from something that has been as effective in terms of bringing our country along economically, as the great energy industry? Why say to the industry, "We're going to get the Government in to compete with you."

PRESENT LEASING PROGRAM

Senator HOLLINGS. Do you think you're getting the best dollar, then, out of the present leasing program?

Secretary MORTON. I think we could improve it, but I don't think that putting the Government into the oil business, either exploration or production, is the way to improve it.

Senator HOLLINGS. It would at least put us in the position, for a change, where we'd know exactly what we're leasing. Then the best monitoring would be public access to information. All the oil companies and everyone involved would come before this highest court; namely, the court of public opinion. We have the information and the know-how. You wouldn't sell a tract of land unless you cruised it.

Secretary MORTON. If you're going to put a hole down in every structure in the Pacific, you and I will be long gone before we even get started with this operation. This is a tremendous operation with an exploratory hole costing anywhere from $2 million to $10 million in the marine environment, and perhaps, in the Gulf of Alaska, twice that.

You're going to be talking about billions and billions of dollars to compete with the exploratory efforts that industry is willing to make, and the dollars that industry is willing to invest on the hope and the best geological information they have, that they're going to get production.

COST OF EXPLORATORY DRILLING

Senator HOLLINGS. I challenge your figures, Mr. Secretary. All exploratory drilling for the past 10 years amounted to a cost of $1.5 billion. According to the overall study, that's all private exploratory drilling costs.

Secretary MORTON. I'm not sure. I would think that would be exceedingly low.

Senator HOLLINGS. Would you have a higher figure?

Mr. CARLSON. We don't know, but we'll provide a response to you, Senator.

Senator HOLLINGS. Are you familiar with the University of Oklahoma study?

Mr. CARLSON. I just know it in general terms.

Senator HOLLINGS. That's what it states. We looked at that to find if we're trying to bite off something we can't chew.

Then there's no other objection other then the size of the world of geology and the monitoring?

Secretary MORTON. Oh, no. I think it depends on what you want to do.

Senator HOLLINGS. Just Government-contracted exploratory drilling.

Secretary MORTON. What's in it for the American people?

Senator HOLLINGS. Of course, I'm not the one protesting, but it's obvious from what's been stated in all the reports, the Department of Interior's own statistics, that we're not getting the best return and we're not getting it out as fast as we could. I think you could get it out substantially faster.

Secretary MORTON. I think we can do that.

Senator HOLLINGS. I'm trying to bring in all parties, Mr. Secretary, so you won't have a bunch of Alaska pipelines on your hands.

You have to wait, and hopefully by June the court will rule and it will take another year. In that 9 months, the environmental impact statement has been stretched to 3½ years like on the Alaska pipeline. And we are certainly going through a series of court cases unless changes are made. Obviously, the Governor of a State like Delaware will challenge you. My legislation has the bipartisan support of Republican Senators as well as virtually every Democratic Senator on the eastern seaboard. We have cosponsored the idea of Government-contracted exploratory drilling. Both Democratic Senators in California also support it.

You've got to plan for the impact sociologically, economically, and environmentally, but you don't know where, how much, or under what circumstances. As I was about to say, how would you sell a tract of land which you had inherited, perhaps, unless you know what it is worth? If I came and offered you $5,000 for the tract, unless you cruised it and knew what was there, you wouldn't know whether you were getting a good price for that or not.

GEOLOGICAL TECHNOLOGY

Secretary MORTON. The only available way for us to cruise this is the way we're doing it now. We're doing it with geological technology, and that technology is not as easy as going into a forest and counting trees.

There's a variance and there's different interpretations of the data that are developed and there are different reactions to this effort, individual reactions. I certainly don't think the Government has any corner on all wisdom as far as geology is concerned.

I think there's no reason why the oil industry can't develop and explore, with all of their resources, more effectively then one agency of Government. It's a vast conglomerate of very highly skilled, highly motivated, technically oriented people that make those decisions.

I think you're going to have better decisions under those circumstances when they've got to put their money on the line, and stand to lose it all, then you are simply sitting up here in a bureaucratic office and saying we're going to drill here and we're going to drill there, and you're going to drill here.

OCEAN MINING OFFICE

Senator HOLLINGS. On another subject, Mr. Secretary, what have been the Department of Interior's activities in ocean mining in the past year?

Secretary MORTON. Let me ask Jack to answer that. We haven't had much activity. We examined the legality of it, but Jack can answer that.

Mr. CARLSON. We've had an Ocean Mining Office for a couple of years in the Interior Department.

Senator HOLLINGS. Where?

Mr. CARLSON. It has been under my responsibility.

Senator HOLLINGS. What does it constitute? How is it described in the budget?

Mr. CARLSON. It's under the general authority of the Office of the Secretary.

Senator HOLLINGS. How is it described in the budget?

Mr. CARLSON. I sent you a letter; I don't I don't know if you've had a chance to read it. It identifies the legal authority for the Office.

Senator HOLLINGS. I'm asking about the description. I want to know when his Ocean Mining Office was started?

Mr. CARLSON. The Ocean Mining Office was started about 2 years ago, and the Solicitor has given us a legal opinion that the Secretary has the authority to designate these kinds of functions.

Senator HOLLINGS. Aside from legal arguments about authority, when you established this Office 2 years ago, how many personnel were in it?

Mr. CARLSON. It's a very small Office and it's very small today.

Senator HOLLINGS. What's small? One? Ten?

Mr. CARLSON. Less than six people.

Senator HOLLINGS. Were there two people? Three people originally?

Mr. CARLSON. It's four people now.

Senator HOLLINGS. How many people constituted this Office? You've been in charge; you said it started 2 years ago. There were only four people at the most, then three. How many were there?

Mr. CARLSON. There were two people initially, and then there were three and now we have four. There were not exceeding six.

Senator HOLLINGS. But you had two people when you started 2 years ago?

Mr. CARLSON. Yes.

Senator HOLLINGS. What were their names?

Mr. CARLSON. The person who heads up the outfit is Leigh Ratiner.

Senator HOLLINGS. He used to be over at the Defense Department. Who were the two people running the Ocean Mining Office in the beginning?

Mr. CARLSON. He's been the key person. As you indicated, he's had considerable experience, not only in our Department but in——

Senator HOLLINGS. But Mr. Carlson, I'm not interested in his experience or legal authority for the Office. I'm trying to fix the original Office in this endeavor and get it fixed in the committee's mind.

Leigh Ratiner was known as what?

Mr. CARLSON. He was head of the Ocean Mining Office.

Senator HOLLINGS. And he had one person under him?

Mr. CARLSON. Yes, he did, in the beginning.

Senator HOLLINGS. Who was that?

Mr. CARLSON. I'll have to find out the secretary's name. I wasn't here at that time, when the Office was started. I'd be pleased to provide it for the record.

Senator HOLLINGS. You had Ratiner and one secretary, and until that time you didn't have any ocean mining activities?

Mr. CARLSON. That's not correct either. We checked with the different bureau's and with the Secretary's Office, we've had people that have carried out that kind of a function in the Department. Ocean mining has been of concern to the Department for a great number of years.

INTERIOR ACTIVITIES IN OCEAN MINING

Senator HOLLINGS. That's uncertain language, but let's get the Office's duties fixed. What have been the Department of Interior's ocean mining activities? I asked that and you said that you started with Leigh Ratiner and a secretary 2 years ago.

Mr. CARLSON. I was referring to a specific institutional arrangement which was the subject of your letter.

Senator HOLLINGS. My question right now is what, in addition, did you have prior to Mr. Ratiner's office?

Mr. CARLSON. I don't know, inasmuch as I wasn't here. I do know there was considerable activity over a great number of years. And perhaps we can document this for you and provide it for the record.

Senator HOLLINGS. You don't know of any activity until the office of Leigh Ratiner was started?

Mr. CARLSON. On the contrary, there has been considerable activity on this subject.

Senator HOLLINGS. Good, instead of a few, you've got considerable activity. What was it?

ADVISORY STAFF OPERATION

Secretary MORTON. I can maybe shed some light on this. Dave Stang, who now is with the Interior Committee, advised me on law of the sea, and we also had considerable conversation with him, and he looked up a good many things for me in connection with ocean mining and the legal aspects of it, and advised the State Department on it on occasion.

It was simply an advisory staff operation that tried to create some kind of a base of knowledge of what this whole proposition was all about. At least that's what Dave's relationship with me was.

Then when Ratiner came on, I think this responsibility was given to him, and he was the person in the Department of Interior. We do this in the same way that we have to have somebody who kind of keeps us abreast of the international aspects of our operation.

We have a person who relates to the State Department, who relates to Defense and relates to the Congress and people on our international operations.

This ocean mining thing is a new concept and it's a resource development concept and we feel that as the primary resource development agency we should have some knowledge of this business.

Senator HOLLINGS. When did it start, Mr. Secretary, how many years ago?

Secretary MORTON. I couldn't tell you. I think there have been arguments and talks and discussions about it, the laws of the sea and mining, for a good long time.

Senator HOLLINGS. What I mean is, within the Department and from an administration standpoint, do you know of anything other then the effort made here 2 years ago?

Secretary MORTON. Yes; Jared Carter who is the Deputy Undersecretary, was a highly knowledgeable person who had been in the State Department for a long time and had a lot of knowledge about law of the sea. I conferred with him and he conferred with other members, with the Solicitor, and with other agencies in trying to keep us abreast of what was going on.

Senator HOLLINGS. The committee is familiar with Mr. Carter and Mr. Ratiner. I'm talking about the original institution of ocean mining work.

Secretary MORTON. Let me ask Dick Hite, who is in our administrative section and has been around for a while in the Department.

RESPONSIBILITY ASSIGNED TO ASSISTANT SECRETARY FOR ENERGY AND MINERALS

Mr. HITE. In September 1969 we had one main effort devoted to law of the sea and related considerations, in the Office of the Under Secretary. This is Mr. Stang, to whom the Secretary referred.

Upon Secretary Morton's arrival, and later the arrival of Undersecretary Carter, we made a determination, a management determination, to give this responsibility to an Assistant Secretary for Energy and Minerals. This was related to Mr. Stang's departure and the arrival of Mr. Carter. The Office was constituted prior to Secretary Carlson's arrival, in 1973. This Office has resided there since that time.

Senator HOLLINGS. What is comparable to that Office, other then Assistant Secretary? Do you have any other personnel?

Mr. HITE. No, sir, as Mr. Carlson said, I'm picking up the thread in 1973, the Assistant Secretary of Energy and Minerals. The Office was constituted with Mr. Ratiner and a secretary. This is part of the Assistant Secretary of Energy and Minerals general staff complement. It wasn't specifically identified in the budget, as such, in answer to

your direct question, but it was an Office under the purview of the Assistant Secretary.

Senator HOLLINGS. Mr. Secretary, are you familiar with Reorganization Plan No. 4, of Nixon's directive, and that responsibility over ocean mining was transferred from the Department of the Interior to the Department of Commerce?

COMMITTEE ON MARINE PETROLEUM

Reorganization Plan No. 4 stated specifically, and I read: "The functions that follow and the Secretary of the Interior or the Department of the Interior, or any officer or instrumentality of that Department, which are administered through the Marine Minerals Technology Center of the Bureau of Mines." The plan transferred that setup to NOAA, and that transfer was completed in 1972.

At about that particular time, NOAA then instituted the Marine Petroleum and Mineral Advisory Committee. Are you familiar with that?

Secretary MORTON. Yes.

Senator HOLLINGS. Bringing it right up to date, that same Administration in Commerce, with the approval of the President's Office of Management and Budget, has requested 29 personnel and a budget of $3,997,000 to do environmental and resource assessment work in deep ocean mining. Are you familiar with that?

Secretary MORTON. I wasn't familiar with the numbers.

Senator HOLLINGS. Does the Department of the Interior have OMB approval for instituting an Ocean Mining Administration?

Secretary MORTON. Yes; we have a complete Budget Administration within the Department.

Mr. CARLSON. I might also say, Senator, that we supported the environmental impact statement being handled through NOAA as the best institution to do that. It started 2 years ago, and it was not satisfactory, and we want to make sure it is.

INTENT OF OCEAN MINING ADMINISTRATION

Senator HOLLINGS. With that background, Mr. Secretary, what's the intent of the Department with regard to this Ocean Mining Administration? It was instituted on February 24 by your Executive Order No. 2971.

Secretary MORTON. We're trying to stay current on all aspects of resource development. I think this is a responsibility of the Department; it's certainly a responsibility of the Bureau of Mines and of the Energy and Minerals Secretariat.

We're not looking to set up any big bureau to get into the ocean mining business. I'm not too sure exactly what the issue is here. Is the issue a turf issue? Are we invading NOAA's prerogative? We don't want to do that; we want to cooperate with them. We always have; we have many cooperative things going on, particularly in geological work in Alaska and the other marine environments.

Are we doing something wrong? I'd like to get it out on the table. What's wrong? We only have one or two people who are trying to advise us in this area.

Senator HOLLINGS. I thought my questions would direct your attention, in order to bring this to some kind of an understanding, and you've got to go right now. This particular ocean minerals function was in Interior until Reorganizational Plan No. 4, until President Nixon—we're talking about the Government now—said, in his message submitting Reorganization Plan No. 4, that the mineral resources of the ocean bottom, and the oceans themselves, are being increasingly tapped to meet the growing world demand, and then took it all and transferred it to NOAA.

We have an international conference to make the law of the sea. We don't have jurisdiction, but we're trying to at least make investment for ocean mining more stable and suitable and reliable for the gathering of manganese nodules.

I've been to at least 20 different hearings with the Department of Commerce on this particular score, and they've got the budget and everything for it. We have had the ocean policy study to try to determine if there are duplications in our oceans program. Here comes at the end of February a new Oceans Mining Administration in the Department of the Interior, which 5 years ago was transferred out of that particular Department into Commerce.

That's what is up on top of the table.

CONSULTATION WITH NOAA

Secretary MORTON. Let me get together with Dr. White of NOAA and see what we've got and work this out. We don't want to duplicate the effort. I need somebody to advise me on ocean mining, what's going on as part of the basic resource development.

If he's going to go out with his ships and dig up the nodules, fine; but we've got to have somebody, some sort of liaison, as we do in many other areas. We have to maintain liaison with Agriculture, we have to maintain liaison with NOAA, and the whole Weather Bureau and everything else. And the Geological Survey is tied in very closely with this.

If we're doing something wrong, if this is the wrong thing to do, we'll straighten it out.

Senator HOLLINGS. I think your suggestion is the best, because it was Dr. White's Department that raised the question.

Secretary MORTON. I'd be very happy to talk to him about it.

Senator HOLLINGS. When we called, certain people in the Department hadn't heard about it. I think your meeting with him would help. We appreciate you and your colleagues being here and the testimony you've given to this committee today.

PREPARED STATEMENT

I have a full prepared statement on this jurisdictional issue which I would like to include in the record. without objection that will be done.

[The statement follows:]

STATEMENT OF SENATOR ERNEST F. HOLLINGS

On February 26th, I received a letter from Mr. Jack W. Carlson, Assistant Secretary of the Interior for Energy and Minerals, informing me that the De-

partment had established an Ocean Mining Administration. This new Administration would do more than advance policy planning and would have a broad range of operational duties including: (1) development of a stable investment climate for ocean minerals recovery: (2) preparation for administering ocean mining programs if the U.N. Law of the Sea Conference reaches agreement; (3) development of policy and regulatory procedures for ocean mining; (4) analysis of the environmental effects of ocean mining; and (5) the conduct of ocean mining technology and resource assessment programs.

While I appreciate the Department's eargerness to work in this area, I nonetheless have strong reservations about whether appropriated funds can, or should be expended for this new office for these purposes at this time. My concerns are of both a fiscal and policy nature.

For several years now the House and the Senate have been considering legislation dealing with deep sea mining. The Deep Seabed Hard Minerals Act had been ably handled by my colleague Senator Lee Metcalf from Montana and he has made a lengthy effort to educate other members of the Senate on the problems associated with mineral mining in ocean areas beyond national jurisdiction and with this nation's critical need to obtain scarce resources. I want the Subcommittee to know that I favor encouragement of deep ocean mining activities by U.S. companies and feel that any Law of the Sea agreement on the question must, as a minimum, ensure fair access by our citizens to deep sea minerals. I oppose any treaty provisions which would discourage investment or prevent a fair return on invested capital.

As I understand the ocean mining situation, there is no existing legal impediment to prevent U.S. companies from undertaking mining activities in the deep ocean. The concept of freedom of the seas still remains judicially viable despite certain pronouncements about deep sea mining from the United Nations and several developing and producing countries. On the other hand, I appreciate the need to make the ocean mining investment climate more secure since some U.S. companies are willing to make the investments necessary to obtain these minerals, but are uncertain about having a stable political situation throughout the life of their investment. Unquestionably, ocean mineral recovery will benefit this nation's raw material future. Some degree of government assistance to clarify the investment situation may be needed. Even so, I was pleased to see Summa Corporation, a Howard Hughes operation, go right ahead with its manganese nodule mining plans without government assistance or requests for national legislation.

Despite this situation, I believe that the Department of the Interior cannot legally establish an office to carry out the announced function of their proposed Ocean Mining Administration at this time. First of all, the creation of this Administration is decidedly premature. In seeking to prepare for the administration of ocean mining programs if the U.N. Law of the Sea Conference achieves agreement, the Department is not only trying to outguess 150 nations but also the Congress of the United States. The *only* present legal authority of the Department of the Interior is to prepare regulations for mining activities on public lands and in areas within the jurisdiction of the United States, including the Continental Shelf.

It seems to me that the Department is invading the realm of Congressional perogative in deciding that it will be the agency picked by Congress to administer ocean mining programs when a U.N. Law of the Sea Treaty is implemented in the United States. Without new legislation, I see no authority for the Department to begin to develop regulatory procedures for ocean mining on the deep seabed.

There are at least two schools of thought on legislatively providing for security of investment. Some believe that in order for the proper investment climate to be achieved, some Federal agency must issue leases for wide tracts of ocean space. Others, however, say that all that is needed is merely an insurance scheme for protecting against certain risks, coupled with basic provisions regulating our citizens so that they do not pollute, create monopolies, or otherwise violate the laws of the United States. Under the latter view, there is no necessity to lease ocean tracts. It seems to me that these are major differences of opinion which must be resolved by Congress before the Department of the Interior embark upon a major ocean mining regulatory program involving leasing. If the Department is allowed now to expend appropriated funds for this purpose and

later Congress decides not to delegate to that agency or not to take the approach being advanced by the Department, then taxpayer dollars will have been wasted.

My second concern is that at least three of the intended functions of this new Administration duplicate existing programs already underway in the Federal government. During these times of severe economic difficulty, this government should be cutting spending and eliminating duplication wherever possible. In this instance, however, it appears that the Department is creating an entirely new program similar to those already being carried out by other agencies. For example, promotion of a stable investment climate for ocean minerals recovery is one of the express mandates of an advisory committee established by the Department of Commerce well over a year ago. In fact, the Department's "Marine Petroleum and Minerals Advisory Committee" has formed a working group on international ocean investment conditions to consider ways in which the integrity of investment in seabed mineral exploration can be made more secure. The cost of this advisory committee is about $50,000 a year. It does not appear to me that the Department of the Interior should duplicate this effort.

The Department of Commerce is also undertaking a thorough analysis of the environmental effects of ocean mineral mining. In the Interior Department press release announcing the Administration, it is stated that the office would carry out the Interior Department's responsibilities in the ocean mining field with respect to compliance with the National Environmental Policy Act. However, it is quite clear that the Department has no authority to take any "major federal actions" in this field and therefore has no express duties under the National Environmental Policy Act. I also must point out to the Subcommittee that in the President's FY 1976 budget submission to Congress for the National Oceanic and Atmospheric Administration there is a request for 10 positions and $3,000,000 to acquire basic data on the environment of selected representative deep ocean manganese nodules mining sites. The budget justification reads as follows:

"The environmental impact statement required under provisions of the National Environmental Policy Act cannot be prepared at present because there is insufficient data on the physical, chemical, biological and geological base line conditions in the remote areas of the major commercial mining interests. In addition to providing the data for an environmental impact statement the data resulting from this program will also permit the development of environmental guidelines for industrial use and the design of mining equipment and operational techniques. Thus, this program is also a necessary first step that must be taken for the United States industry to proceed in mining operations in an environmentally safe manner."

NOAA has already 19 positions allocated to this task and spent nearly $1,000,000 in 1975 for this purpose. I interpret this as an explicit OMB determination that NOAA is the proper agency to do this work in connection with the Law of the Sea Treaty and NEPA requirements related thereto. There is no doubt in my mind that an Ocean Mining Administration in the Department of the Interior would duplicate these activities.

On the question of resource assessment, not one, but two agencies are already engaged in this activity at present. NOAA has done some of this research. In addition a special office in the National Science Foundation—the International Decade of Ocean Exploration (IDOE)—has already expended over $10 million in assessing the continental margins, deep seabed and mid-oceanic ridges in an attempt to identify new areas of natural resources, including hard minerals. IDOE expended $60,000,000 in FY74, $970,000 in FY75, and budgeted more than $1 million for FY76 to access, specifically, the availability of manganese nodules on the deep seabed. Here again, the Federal government already funds programs for resource assessment and it is very questionable whether the Department of the Interior should now embark upon additional projects in the area.

But most convincing to me on this entire question is the fact that the Department of the Interior once had all the responsibilities it now seeks for this new administration—but these were transferred to NOAA in 1972. The Department of the Interior administered a program entitled "Marine Mineral Mining" from 1965 until 1972. In 1972, budget materials show that this program was transferred in its entirety to the National Oceanic and Atmospheric Administration under Reorganization Plan #4 of 1970. A description of the program is found in the Interior Department Budget materials for FY 1971 (H.R. 18619; 91st Con-

gress, Second Session). In brief, the program involved the following elements, among others:

(1) to assure that marine mining systems ultimately developed will minimize damage to the marine environment;

(2) to encourage the development of marine mining industries;

(3) to establish mining system requirements; and

(4) to assess ocean mineral deposits.

All the announced functions, except intra-agency coordination, of the new Ocean Mining Administration were once in the Department of the Interior but have since been transferred by Reorganization Plan #4 to NOAA in the Department of Commerce.

In closing, I wish to make a few comments on the overall question of national ocean policy. I serve as Chairman of the Senate National Ocean Policy Study (NOPS). One mandate of the Study is to determine the adequacy of current Federal programs relating to the oceans and to recommend improvements in both agency structure and effectiveness to meet national needs and achieve ocean capability. In addition, NOPS is charged with assessing existing policies and laws affecting the ocean for the purpose of determining what changes might be necessary to assure a strong and internationally competitive ocean policy. Pursuant to this mandate, we asked the General Accounting Office to provide us with a breakdown of all Federal agency programs relating to marine science activities and oceanic affairs. Just last week we received the first installment on their report. A brief reading of the GAO document demonstrates clearly that ocean policy in the Federal government is still fractionalized and that this has led to duplication in effort, and waste. The area of ocean mining is just one example. NOPS plans to follow through and investigate these areas of duplication to discover whether there is any coordination, cooperation or even knowledge of each other among the agencies involved.

In 1970 President Nixon issued Reorganization Plan No. 4 establishing the National Oceanic and Atmospheric Administration in the Department of Commerce. In his message to the Congress, the President stated:

"Establishment of the National Oceanic and Atmospheric Administration—NOAA—within the Department of Commerce would enable us to approach these ocean tasks in a coordinated way. By employing a unified approach to the problem of the oceans and atmosphere, we can increase our knowledge and expand our opportunities not only in these areas but in the third major component of our environment, the solid earth, as well. Scattered through various Federal departments and agencies, we already have the scientific, technological, and administrative resources to make an effective, unified approach possible. What we need to do is bring them together. Establishment of NOAA would do so."

Later in his statement the President went on to say that this reorganization would afford opportunities for both Congress and the Executive Branch to re-evaluate the adequacy of existing program authorities in the future. He also indicated that, as a certain new organization gains experience, we will need additional action to refine and improve its authorities.

In my view, President Nixon established NOAA as the lead "Oceans Agency" in the Federal Government. Further fractionalization and duplication of effort cannot be condoned in light of this decision. We in Congress who are concerned about ocean policy feel that NOAA reflects a basic national decision to streamline this nation's effort in the sea. I strongly support this effort to rationalize our ocean programs. Efficiency must be the watch-word of government, particularly when government wishes to expand without authority as the Department of the Interior is trying to do here. It is unnecessary at this time that there be created an Oceans Mining Administration in the Department of the Interior. Perhaps some day it may be mandated by Congress, but at present this legal mandate is lacking and we should not approve expenditures of funds which duplicate existing programs, properly authorized by law.

PREPARED STATEMENT

[The following statement was subsequently submitted for the record by the Department of the Interior:]

STATEMENT OF JACK W. CARLSON

Dear Mr. Chairman:

Inasmuch as Secretary Morton did not see or hear a statement presented by Senator Hollings during our testimony before your committee on March 6, he asked me to provide a response and offer it for the record for that day.

In that statement, the functions of the Ocean Mining Administration were summarized as follows: "(1) development of a stable investment climate for ocean minerals recovery; (2) preparation for administering ocean mining programs if the U.N. Law of the Sea Conference reaches agreement; (3) development of policy and regulatory procedures for ocean mining; (4) analysis of the environmental effects of ocean mining; and (5) the conduct of ocean mining technology and resource assessment programs." The Senator suggested that these functions as listed represented more than advance policy planning, but were instead broad operational duties.

We apologize for the misunderstanding concerning the functions of the new Administration. OMA is not responsible for developing a stable investment climate for ocean mining. We continue to believe that such stability will only be acquired either through a new convention on the law of the sea or through legislative action, if this route becomes necessary. OMA is, however, responsible for advising the Secretary on the formulation of U.S. positions regarding ocean mining in the law of the sea negotiations and on the kinds of alternative legislative arrangements that he might wish to consider, failing a successful Conference. All of its activities regarding preparation for implementing either a treaty or legislation are also restricted to the policy planning function. Ongoing interagency efforts to determine the most appropriate elements of an implementing legislation package require that the Secretary receive continual policy guidance from the Department's components. OMA will coordinate this input. With respect to the analysis of environmental effects and the conduct of technology and resource assessment programs, OMA will perform largely a supervisory function over activities in the Bureau of Mines and Geological Survey. Enclosed at Tab A is a summary outline of the functions of the Ocean Mining Administration.

In his statement, Senator Hollings asked about the Interior Department's legal authority to establish the Ocean Mining Administration, concluding that this action may be premature, that OMA's functions duplicated those of existing programs in other agencies, and that these functions were no longer within the mandate of Interior since they had been transferred to the National Oceanic and Atmospheric Administration.

In an earlier response to a letter from Senator Hollings, we discussed this same issue and that exchange of letters is enclosed at Tab B. The legal opinion of our Solicitor, which is attached to that exchange of correspondence, outlines the statutory authority by which OMA was created. As described in that opinion, the Secretary was empowered under Reorganization Plan #3 of 1950 to reassign functions within the Department. In this case, the oversight functions of the Assistant Secretary-

Energy and Minerals regarding ocean mining activities of the Geological Survey and Bureau of Mines were largely transferred from the staff of the Assistant Secretary to the OMA.

We would like to expand somewhat on the statement that the only legal authority of Interior is to prepare regulations for mining activities on public lands and in areas within the jurisdiction of the United States, including the Continental Shelf. As pointed out in our Solicitor's opinion, the following statutory provisions clearly authorize certain Interior Department activities regarding seabed minerals in areas wholly outside the jurisdiction of the United States:

> The authority of the Secretary of the Interior, exercised through the Geological Survey of the Department of the Interior, to examine the geological structure, mineral resources and products of the national domain, is expanded to authorize such examinations outside the national domain where determined by the Secretary to be in the national interest. 43 U.S.C. 31(b).
>
> It shall be the province and duty of the Bureau of Mines, subject to the approval of the Secretary of the Interior, to conduct inquiries and scientific and technologic investigations concerning mining, and the preparation, treatment, and utilization of mineral substances with a view to improving health conditions, and increasing safety, efficiency, economic development, and conserving resources through the prevention of waste in the mining, quarrying, metallurgical, and other mineral industries; to inquire into the economic conditions affecting these industries . . . and on behalf of the Government to investigate the mineral fuels and unfinished mineral products belonging to, or for the use of, the United States, with a view to their most efficient mining, preparation, treatment, and use; and to disseminate information concerning these subjects in such a manner as will best carry out the purposes of the provisions of sections 1, 3, and 5 to 7 of this title, 30 U.S.C. 3.

We feel that the establishment of OMA was not a premature action, since its assigned functions clearly correspond to Interior's authorities. In fact, our action was long overdue. There is a certain degree of urgency attached to Federal policy planning in the ocean mining area. The national interest in acquiring a new, secure source of nickel, copper, cobalt and manganese may be jeopardized if there is extended delay in fostering stable investment conditions for these activities. In this case, U.S. companies may begin to divert scarce capital resources to other projects or domesticate their operations in foreign nations. The principal purpose underlying the creation of OMA was to emphasize this urgency and to encourage the Federal Government to begin more timely consideration of the problems confronting ocean mining development. We are aware that the Department had no present legal authority to regulate ocean mining, and we have carefully circumscribed the mandate of OMA to ensure that no activities are undertaken which prejudice a later Congressional decision as to where the ultimate regulatory responsibility for ocean mining will be located.

I believe it would be worthwhile to distinguish between formal promulgation of ocean mining regulations and study efforts aimed at determining what resource management provisions are most applicable to ocean minerals recovery. We agree that the Department has no present legal authority to promulgate ocean mining rules and regulations, and it would indeed be premature to do so. However, there is an urgent need for the Executive Branch to begin to determine the basic elements of a resource management system for ocean mining and to consider what specific regulatory provisions might best be included.

Since 1967, we have participated in interagency efforts to develop ocean mining positions for the law of the sea negotiations, and the Department of State, as lead agency in these efforts, has largely depended upon us to contribute our resource management expertise. The Committee should be aware that in 1970, and again in 1974, the U.S. formally proposed detailed regulatory procedures to be included in the law of the sea convention, and the Executive Branch has on several occasions submitted formal comments on the regulatory provisions of draft ocean mining legislation pending before Congress. OMA's functions in this area are thus a continuation of previous Departmental activities in determining regulatory procedures most appropriate for ocean mining.

We recognize that there may be a number of methods for regulating ocean mining, but do not believe that the Executive Branch should wait until after the Law of the Sea Conference is over before conducting further studies on the available resource management options. It is not, in our view, possible for Government to make an informed choice prior to the development of an adequate data base on the nature of the resource, extraction technology and the economic factors involved in recovery operations. On the basis of available data, the Interior Department is confident that any resource management scheme for ocean mining should include the issuance of exclusive rights. However, there may be different views on this matter, and we continue to assess ocean mining resource and technology in order to acquire a stronger and more comprehensive data base. We believe that timely development of this information is critical to the policy planning function of OMA.

Interior does not consider the proposed resource assessment programs conducted by the Geological Survey and supervised by OMA as duplicative of programs conducted by NOAA and the National Science Foundation. A survey of the literature and data published through these programs, particularly the International Decade of Ocean Exploration, indicates that their major objective is to assess the availability of manganese nodules over wide expanses of the ocean floor. In contrast, the objective of the Geological Survey's efforts are to gather information more applicable to resource management, for example, detailed data on the density, ore grade and topography of a particular mine site in order to enable later development of conservation and other regulations. Moreover, the NSF program is almost exclusively operated through grants to private institutions and universities, thus preventing the kind of directed, integrated approach to resource data acquisition that will eventually become necessary for rational management of ocean mining. As in the past, Interior continues to cooperate in all aspects of mineral resource assessment studies with NSF and any other agencies devoting funds to similar efforts.

Furthermore, we are convinced that OMA's functions do not duplicate those of the Department of Commerce and NOAA in the areas of policy planning and environmental analysis. As mentioned above, one of OMA's functions will be to advise the Secretary on policy questions regarding the establishment of stable investment conditions for ocean mining. We are uncertain as to how the Department of Commerce's Marine Petroleum and Minerals Advisory Committee, meeting only a few times a year and providing advice to the Commerce Department, can adequately fulfill the policy planning needs of the Secretary. The Secretary, in carrying out his mandate to ensure the development of adequate minerals supplies for the United States, needs timely advice not only on issues concerning deep ocean mining, but also on policy questions involving OCS hardrock mining and the effects of international negotiations on the management of OCS hydrocarbon recovery activities.

With respect to the potential for overlap between OMA's and NOAA's activities in the environmental field, we are pleased to note that there exists no duplication of efforts. The NOAA Deep Ocean Mining Environmental Studies program is aimed at developing baseline environmental data on the possible effects of ocean mining. Interior is one of the major supporters of NOAA's efforts in this field and we are very hopeful that the $3 million to be devoted to this program which has been proposed for NOAA's FY-76 budget will be approved. The activities of the Ocean Mining Administration in a sense begin where NOAA's program leaves off. That is, we have drafted an Environmental Impact Statement for Deep Ocean Mining, and are anxious to revise it as soon as possible based on studies which NOAA has done at sea and will be doing during the course of the next year. We are anxious to obtain the results of these environmental studies and are closely cooperating with NOAA with a view toward accelerating our joint efforts so that should a treaty be submitted to Congress, an Environmental Impact Statement will be ready at the same time.

We believe that the opinion of the Department of State that U.S. participation in the Law of the Sea Conference is a major Federal action falling under the provisions of NEPA is relevant to the question of why Interior should be drafting an ocean mining environmental impact statement, given that no authority exists to take any "major federal actions" in this field. An interagency working group in 1974 determined that the Interior Department should be assigned the task of preparing the first draft of an ocean mining EIS, in consultation with NOAA, which would be assigned the task of acquiring baseline data. Enclosed at Tab C is a recent exchange of letters between the State Department and Interior on the subject of revising the original draft ocean mining EIS. It is also important to note that the introduction of ocean mining legislation would require an Environmental Impact Statement under the provisions of NEPA. OMA's efforts in the environmental analysis field, then, are fully consistent with our intention to submit such legislation.

Finally, Senator Hollings' statement concludes that Interior's functions in the ocean mining field were transferred to NOAA under Reorganization Plan #4 of 1970. Specifically, the Plan transfers to the Secretary of Commerce, "The functions vested by law in the Secretary of the Interior, or in the Department of the Interior or in any officer or instrumentality of that

Department, which are administered through the Marine Minerals Technology Center of the Bureau of Mines." All that Reorganization Plan #4 transferred to NOAA were the functions being administered in 1970 through the Marine Minerals Technology Center. From its inception in 1963 to the date of the transfer, the Marine Minerals Technology Center restricted its activities to the investigation of hard minerals development on the continental margin. The Center had no functions or programs during that period on inquiries concerning deep seabed mineral resources. Attached at Tab D is a memorandum from the Bureau of Mines outlining the activities being undertaken by the Marine Minerals Technology Center at the time of the transfer.

In conclusion, I would like to reemphasize that the Ocean Mining Administration was created in order to perform a number of functions within the statutory mandate of the Department of the Interior. In fact, the size of OMA's staff is now only slightly larger than the number of personnel on my own staff who have previously been performing these same functions. We feel that the creation of OMA was necessary at this time and that its creation constitutes efficient government. Not only has no other Federal agency expressed an interest in performing the functions that have been assigned to the Ocean Mining Administration, but indeed, other agencies have been relying on Interior to fill this role for over five years. Efficiency in Government demands that time and effort be devoted to advance planning in order to ensure that we have at hand solutions to problems before they confront us. In this sense, the Ocean Mining Administration, with its small staff, seems to us to constitute an extremely efficient use of Government funds, particularly in view of the broad role it plays in the Government's overall effort to reach global agreement on a treaty governing the oceans.

My staff and I stand ready to keep you informed of any new developments in the work of the Ocean Mining Administration. We are prepared to meet as often as appropriate with you or your staff in order to respond to any questions you might have regarding the potential for duplication of efforts in the activities of the Ocean Mining Administration and NOAA or NSF.

Sincerely yours,

Jack W. Carlson

Jack W. Carlson
Assistant Secretary
of the Interior

OCEAN MINING ADMINISTRATION

Summary of Functions

I. Supervise Technology and Resource Assessments

- Oversee activities of the Bureau of Mines concerned with economic and statistical analysis of minerals commodities, both foreign and domestic, to ensure that the availability of sea-based minerals is properly taken into account.

- Supervise inquiries and scientific investigations of the Bureau of Mines concerning utilization of mineral substances from the seabed with a view to improving efficiency, economic development and preventing wastes in the metallurgical and other mineral industries.

- Supervise inquiries of the Bureau of Mines into the economic conditions affecting these industries.

- Supervise programs of the Geological Survey relating to the examination of the geological structure, mineral resources, and products and related programs in the world's seabed and ocean floor.

- Coordinate these efforts with other agencies.

- Conduct extensive liaison with industry.

II. Provide Policy Guidance on Ocean Minerals Issues

- Advise the Assistant Secretary-Energy and Minerals on policy questions relating to OCS hardrock mining development.

- Perform policy planning function for the development of deep ocean mining by:

  a) Assessing legislative needs for implementing ocean mining provisions of a law of the sea treaty, or alternatively by assessing legislative needs for implementing domestic ocean mining program;

  b) Considering available options for protecting ocean miners against unusual risks;

  c) Preparing draft legislation, in consultation with other agencies;

  d) Studying possible content of any domestic ocean mining regulations;

  e) Drafting a programmatic EIS within Interior, based on information developed by NOAA's DOMES project;

f) Studying possible content of ocean mining environmental guidelines.

III. Participation in International Negotiations on Ocean Minerals Issues

- Serve as Interior Liaison and adviser to the Department of State regarding ocean mining negotiations at the Law of the Sea Conference.

- Conduct extensive liaison with ocean mining industry on issues in international negotiations affecting its interests.

- Advise the Assistant Secretary-Energy and Minerals on policies in international negotiations that involve U.S. exercise of jurisdiction over OCS hydrocarbon recovery.

LETTER FROM SENATOR HOLLINGS

United States Senate

COMMITTEE ON COMMERCE

WASHINGTON, D.C. 20510

February 27, 1975

Mr. Jack W. Carlson
Assistant Secretary of the Interior
Department of Interior
Washington, D.C. 20240

Dear Mr. Carlson:

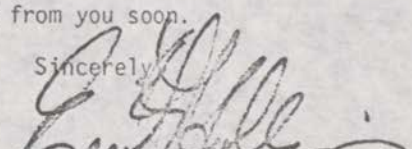
Thank you for your letter of February 24 informing me of the creation of an Ocean Mining Administration within the Department. I understand the office to be one which will concentrate on the policy issues related to the recovery of seabed minerals in ocean areas wholly outside the jurisdiction of the United States.

The purpose for my letter is to inquire as to what specific legislative mandate authorizes the creation of this office by the Department of the Interior and permits the expenditure of appropriated funds for its intended activities. As Chairman of the Senate Ocean Policy Study and a member of the Appropriations Subcommittee on the Interior, I am very much interested in having the Department's explanation of its legal authority to undertake this new activity.

I hope that you can provide me with a response to this question by not later than March 10. If you need further explanation of this request, please contact James P. Walsh, Staff Counsel for the Ocean Policy Study at 224-9347.

I look forward to hearing from you soon.

Sincerely,



ERNEST F. HOLLINGS
Chairman, National Ocean Policy Study

LETTER FROM JACK W. CARLSON

March 5, 1975

Dear Mr. Chairman:

In response to your letter of February 27, 1975, inquiring as to the legal authority of the Department of the Interior to establish the Ocean Mining Administration, I would refer you to the attached legal opinion of our Solicitor regarding Interior's specific legislative mandates for this action.

The Ocean Mining Administration was established by Secretarial Order 2971 of February 24, 1975, pursuant to the authority vested in the Secretary by the Reorganization Plan No. 3 of 1950. In essence, the creation of the Ocean Mining Administration merely resulted in a transfer of functions from the staff of the Assistant Secretary-Energy and Minerals to this new organization. The principal functions of the Ocean Mining Administration will be to supervise ocean mining-related activities of the Bureau of Mines and Geological Survey, to provide advice on Outer Continental Shelf hardrock mining policy, to perform a policy planning function with respect to deep ocean mining and to advise the Department of State on mineral resource questions involved in the law of the sea and other international negotiations. Interior has clear legislative authority covering these responsibilities, as is demonstrated in the attached legal opinion. I believe it is important to note that the Interior Department has no legal authority to grant mining rights in areas outside United States jurisdiction. Pending new legislative authority, I can assure you that the Ocean Mining Administration will take no precipitous action in this direction.

There may be some question as to whether Reorganization Plan No. 4 of 1970 transferred from the Interior Department to NOAA responsibilities relating to deep ocean mining. As you may be aware, Reorganization Plan No. 4 specifically transferred those Interior functions being administered through the Marine Minerals Technology Center. At the time of this action, the Marine Minerals Technology Center was primarily involved in investigations of the environmental effects of sand and gravel dredging on the continental margin. It was not involved in any activities relating to deep ocean minerals. Thus, I do not believe that Reorganization Plan No. 4 can be construed as transferring to NOAA responsibility for deep ocean mineral development.

The creation of the Ocean Mining Administration was motivated by our concern that no Federal Agency was fulfilling an urgent need for policy planning in the ocean mining field. If we are to avoid a delay in the commencement of ocean mining, and thus increase the benefits for the United States of reducing our imports of nickel, copper, cobalt and manganese, a stable investment climate for ocean mining should be in place by 1976. Indeed, the Executive Branch has committed itself to Congress to provide either a law of the sea treaty regime or a domestic regulatory regime by that time. We have every hope that the Law of the Sea Conference will conclude successfully within the near future, but we are also mindful of the time and effort required to enact either implementing legislation for the law

of the sea treaty or alternative contingency legislation in the event a treaty is not forthcoming. Moreover, before ocean mining can commence, it will be necessary under either an international or domestic approach to have prepared a final comprehensive environmental impact statement on ocean mining. The process of preparing an environmental impact statement, as you are no doubt aware, may require a very long time. We believe that the Ocean Mining Administration can perform the important functions of coordinating both of these efforts in an expeditious manner. Indeed, it is important to note that Interior possesses the expertise and large infrastructure of resource management personnel necessary to facilitate a policy planning role with respect to ocean mining development.

With respect to the preparation of ocean mining legislation, the Department of the Interior will, of course, work in close consultation with other Federal Agencies which are members of the NSC Interagency Task Force on the Law of the Sea. We have closely cooperated with NOAA for several years in order to aid their efforts to carry out environmental studies upon which an environmental impact statement can be prepared. In recent weeks, we have intensified those cooperative efforts in order to ensure that NOAA's environmental studies will be completed in a timely manner and can be factored into further revisions of the draft environmental impact statement. We are supportive of NOAA's efforts in this area and are in fact dependent on NOAA for providing comprehensive environmental baseline data. It should be noted in this regard that the Commerce Department's Marine Petroleum and Minerals Advisory Committee on March 4, 1975, unanimously recommended that NOAA accelerate their environmental studies and that there be close cooperation between their study efforts and Interior's efforts to prepare an environmental impact statement.

We also maintain close cooperation with the National Science Foundation which funds certain university initiated project requests involving basic scientific research on the sea floor. The information developed by these institutions is frequently helpful but of course does not provide the type of information which a resource manager would need to acquire in a concentrated directed resource assessment study.

I believe you may be interested in learning, in connection with your membership on the Appropriations Subcommittee for the Interior Department, of the budgetary and personnel arrangements we have made for the Ocean Mining Administration. During fiscal year 1976 we anticipate that the activities of the Ocean Mining Administration will be funded from existing appropriations for the Geological Survey. At present, the Ocean Mining Administration contains only six positions and we expect its size to increase only very gradually. After the conclusion of the Law of the Sea Conference or enactment of domestic legislation, we will be in a better position to determine what arrangements can best be made for the fiscal year 1977 budget of the Ocean Mining Administration. Under either contingency, however, we do not anticipate the staff of the Ocean Mining Administration to exceed twenty positions, since its functions will continue to be basically supervisory. In the event that a domestic

regulatory program is enacted, the Ocean Mining Administration will depend on the resource management personnel in the Geological Survey.

I hope this information, and the legal opinion enclosed, will largely meet your information request regarding the Ocean Mining Administration.

Sincerely,

Jack W Carlson

Assistant Secretary of the Interior

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SOLICITOR

Memorandum

MAR 5 1975

To: Assistant Secretary
Energy and Minerals

From: Solicitor

Subject: Authority to create the Ocean Mining Administration within the Department of the Interior and to expend appropriated funds for its activities

This constitutes our advice as to (1) what legislative authority exists for the creation of an Ocean Mining Administration (OMA) within the Department of the Interior, (2) the authority for consolidation of functions and establishing an Ocean Mining Administration, (3) NOAA, and (4) authority for expenditure of appropriated funds for its intended activities.

1. Legislative Authority to Engage in Ocean Mining Activities.

Functions of the Ocean Mining Administration are understood to be as follows:

I. Supervise Technology and Resource Assessments

- Oversee activities of the Bureau of Mines concerned with economic and statistical analysis of minerals commodities, both foreign and domestic, to ensure that the availability of sea-based minerals is properly taken into account.

- Supervise inquiries and scientific investigations of the Bureau of Mines concerning utilization of mineral substances from the seabed with a view to improving efficiency, economic development and preventing wastes in the metallurgical and other mineral industries.

- Supervise inquiries of the Bureau of Mines into the economic conditions affecting these industries.

- Supervise programs of the Geological Survey relating to the examination of the geological structure, mineral resources, and products and related programs in the world's seabed and ocean floor.

- Coordinate these efforts with other agencies.

- Conduct extensive liaison with industry.

II. Provide Policy Guidance on Ocean Minerals Issues

- Advise the Assistant Secretary-Energy and Minerals on policy questions relating to OCS hardrock mining development.

- Perform policy planning function for the development of deep ocean mining by:

  a) Assessing legislative needs for implementing ocean mining provisions of a law of the sea treaty, or alternatively by assessing legislative needs for implementing domestic ocean mining program;

  b) Considering available options for protecting ocean miners against unusual risks;

  c) Preparing draft legislation, in consultation with other agencies;

  d) Studying possible content of any domestic ocean mining regulations;

  e) Drafting a programmatic EIS within Interior, based on information developed by NOAA's DOMES project;

  f) Studying possible content of ocean mining environmental guidelines.

III. Participation in International Negotiations on Ocean Minerals Issues

- Serve as Interior Liaison and adviser to the Department of State regarding ocean mining negotiations at the Law of the Sea Conference.

- Conduct extensive liaison with ocean mining industry on issues in international negotiations affecting its interests.

- Advise the Assistant Secretary-Energy and Minerals on policies in international negotiations that involve U.S. exercise of jurisdiction over OCS hydrocarbon recovery.

Two components of the Department of the Interior have been authorized by statute to exercise functions covered by OMA. Specific reference is made to the following statutory provisions:

> The authority of the Secretary of the Interior, exercised through the Geological Survey of the Department of the Interior, to examine the geological structure, mineral resources and products of the national domain, is expanded to authorize such examinations outside the national domain where determined by the Secretary to be in the national interest. 43 U.S.C. 31(b).
>
> It shall be the province and duty of the Bureau of Mines, subject to the approval of the Secretary of the Interior, to conduct inquiries and scientific and technologic investigations concerning mining, and the preparation, treatment, and utilization of mineral substances with a view to improving health conditions, and increasing safety, efficiency, economic development, and conserving resources through the prevention of waste in the mining, quarrying, metallurgical, and other mineral industries; to inquire into the economic conditions affecting these industries . . . and on behalf of the Government to investigate the mineral fuels and unfinished mineral products belonging to, or for the use of, the United States, with a view to their most efficient mining, preparation, treatment, and use; and to disseminate information concerning these subjects in such manner as will best carry out the purposes of the provisions of sections 1, 3, and 5 to 7 of this title. 30 U.S.C. 3.

Comparison of the functions to be performed by OMA and those specifically assigned by statute to the Department of the Interior leads to the conclusion that there is a legislative basis for exercise within the Department of the Interior of the functions assigned to OMA. The legislative authority of components of the Department of the Interior to engage in activities regarding seabed minerals in ocean areas wholly outside the jurisdiction of the United States is clearly established in both of the statutory provisions set out above. The first specifically provides for examination of geological structures and mineral resources "outside the national domain." Among other duties imposed, the second statute set out specifically provides for investigation of unfinished mineral products for the "use" of the United States and this authorization is not limited to unfinished mineral products existing within the United States. This provision also imposes a duty to inquire into economic conditions affecting mineral industries. In the absence of an explicit statutory limitation, the provision cannot be read as referring only to domestic economic conditions since it is well known that international forces bear directly on economic conditions. Moreover, Section 1(a) of 30 U.S.C. specifically includes activities concerned with "economic and statistical analyses of mineral commodities, domestic and foreign."

We conclude that there is adequate legislative authority for the Department of the Interior to engage in activities related to recovery of seabed minerals in ocean areas wholly outside the jurisdiction of the United States.

2. Consolidation of Functions and Authority to Establish an Ocean Mining Administration.

In 1950, the functions of other officers of the Department of the Interior and its agencies and employees were transferred to the Secretary of the Interior. Section 1 of Reorganization Plan No. 3 of 1950 (64 Stat. 1262). The Secretary was further authorized by Reorganization Plan No. 3 of 1950 to transfer functions within the Department:

> Sec. 2. Performance of functions of Secretary. The Secretary of the Interior may from time to time make such provisions as he shall deem appropriate authorizing the performance by any other officer, or by any agency or employee, of the Department of the Interior of any function of the Secretary (64 Stat. 1262).

As indicated by the analysis of the legislation cited in section 1, of this memorandum, the Secretary has the authority to engage in ocean mining functions. It therefore follows under the authority of Reorganization Plan No. 3 that he has the power to establish an organization to carry out those functions.

3. National Oceanic and Atmospheric Agency.

Reorganization Plan No. 4 of 1970 (84 Stat. 2090) transferred certain functions of federal agencies to the National Oceanic and Atmospheric Agency (NOAA). Section 1(c) of the Plan transferred the functions vested by law in the Secretary of the Interior, or the Department of the Interior or in any officer or instrumentality of the Department which were administered through the Marine Minerals Technology Center of the Bureau of Mines. We are informed that the Center's role was largely limited to analysis of the environmental implications of sand and gravel mining on the U.S. outer continental shelf. It does not appear that an office existed in the Department of the Interior in 1970 which was exclusively engaged in ocean mining matters, but that the subject was covered, at different times, by Interior staff assistants and other departmental officials on a part-time basis. Thus, it appears that the responsibilities of the Secretary of the Interior and of the Department of the Interior regarding ocean mining were not materially affected by the 1970 transfer of functions to NOAA.

In examining the transfer of functions to NOAA, the Message of the President to the Congress of the United States dated July 9, 1970, transmitting Reorganization Plan No. 4 of 1970 to the Congress, has been considered. Special reference is made to the following excerpts:

> The Government's environmentally-related activities have grown up piecemeal over the years. The time has come to organize them rationally and systematically. As a major step in this direction, I am transmitting today two

reorganization plans: one to establish an Environmental Protection Agency, and one to establish, within the Department of Commerce, a National Oceanic and Atmospheric Administration.

We also face a compelling need for exploration and development leading to the intelligent use of our marine resources. The global oceans, which constitute nearly three-fourths of the surface of our planet, are today the least-understood, the least-developed, and the least-protected part of our earth. Food from the oceans will increasingly be a key element in the world's fight against hunger. The mineral resources of the ocean beds and of the oceans themselves, are being increasingly tapped to meet the growing world demand. We must understand the nature of these resources, and assure their development without either contaminating the marine environment or upsetting its balance.

Establishment of the National Oceanic and Atmospheric Administration -- NOAA -- within the Department of Commerce would enable us to approach these tasks in a coordinated way.

I expect that NOAA would exercise leadership in developing a national oceanic and atmospheric program of research and development. It would coordinate its own scientific and technical resources with the technical and operational capabilities of other government agencies and private institutions.

The reorganizations which I am here proposing afford both the Congress and the Executive Branch an opportunity to re-evaluate the adequacy of existing program authorities involved in these consolidations. As these two new organizations come into being, we may well find that supplementary legislation to perfect their authorities will be necessary. I look forward to working with the Congress in this task.

Some parts of the Message suggest a more comprehensive role for NOAA in ocean minerals development than actually vested in it by the Reorganization Plan itself, the only relevant transfer of function from Interior being that examined above. The Message of the President does not constitute a part of the Reorganization Plan. Rather, it is recognized by the Executive Reorganization Act, 5 U.S.C. 901, 903, as distinct from the Plan. It is therefore concluded that certain sections of the Message were intended primarily to alert the Congress of possible future Executive actions or other purpose but not affecting the actual transfer of functions.

Consequently, we conclude that there is adequate legislative authority for creation of an Ocean Mining Administration within the Department of the Interior.

4. Expenditure of Appropriated Funds by the Department of the Interior.

It is understood that the subject of ocean mining has been covered, at different times, by Interior staff assistants and by other departmental officials who also had other responsibilities. Manpower and support resources were allocated on an ad hoc basis from other authorized personnel and funding; therefore, the activity did not necessitate the submission of a separate budget item.

Most recently, ocean mining responsibility was assigned to a Staff Assistant to the Assistant Secretary--Energy and Minerals. The same Staff Assistant's title was changed briefly to Director, Ocean Mining Development Office but no additional funding was provided. This Office became the Ocean Mining Administration by Secretarial Order No. 2971, dated February 24, 1975. The OMA will continue to report to the Assistant Secretary for Energy and Minerals. Section 5 of the Reorganization Plan of 1950, supra provides:

> The Secretary of the Interior may from time to time effect such transfers within the Department of the Interior of * * * unexpended balances (available or to be made available) of appropriations, allocations and other funds of such Department as he may deem necessary in order to carry out the provisions of this reorganization plan.

Under this provision of the Reorganization Plan, the Secretary has the necessary authority to carry out the functions of the reorganization.

Deputy Solicitor

DEPARTMENT OF STATE

Washington, D.C. 20520

December 4, 1974

Mr. Jack Carlson
Assistant Secretary for
Energy and Minerals
Department of the Interior
Washington, D.C. 20240

Dear Mr. Carlson:

The NSC Interagency Task Force on the Law of the Sea has informally considered the question of revising the draft environmental impact statement prepared last spring by the Task Force. I have considered the factors raised in that group and have concluded that the draft statement should be revised prior to the Geneva session of the Law of the Sea Conference.

The Department of the Interior prepared the sections of the draft statement dealing with the continental margin and deep seabed and, because of Interior's expertise on this subject, I am asking for your assistance to the Task Force in revising the deep seabed section. I have asked the Assistant Secretary for Land and Water Resources, Mr. Jack O. Horton, for his assistance in revising the continental margin section. Although most of the comments received on the statement have already been distributed, I have included a complete set of comments for your information. The revision should, of course, take the comments into account where appropriate. In order to allow sufficient time for comments by the public and other government agencies, I would appreciate it if I could receive a revision by January 15, 1975.

I appreciate very much your cooperation and assistance on this matter. My office will endeavor to provide any assistance possible to you and you should feel free to call on them.

Sincerely yours,

John Norton Moore

John Norton Moore
Deputy Special Representative
of the President for the Law
of the Sea Conference

United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

March 12, 1975

Dear John:

This letter is in response to your formal request of December 4, 1974, that the Department of the Interior, prior to the Geneva session of the Law of the Sea Conference, revise the draft ocean mining environmental impact statement prepared in the spring of 1974.

As you are aware, a main deficiency of the previous deep seabed statement that was drafted under the auspices of an Interior-Commerce working group on deep sea environmental assessments and later revised by Interior, was the lack of adequate baseline data. We have previously discussed this problem, and I am sure you recognize the length of time necessary to acquire a comprehensive and sufficient data base upon which an adequate EIS can be prepared. For this reason, we concluded that it would be difficult to justify a commitment of scarce manpower and funds to attempt, prior to Geneva, to make nonsubstantive alterations to the existing statement. Indeed, it is more likely that members of the public who have taken an interest in the potential environmental effects of ocean mining will desire evidence of a commitment by the U.S. Government to take steps to correct the substantive deficiencies in our current draft--the lack of adequate baseline data.

In view of our inability to complete the revision you have requested before the Conference session begins, I would like to outline some of our current plans regarding this revision. I hope that these comments will enable you to be as responsive as possible to queries by others outside Government concerning the possible timing of a revised ocean mining EIS.

- One of the new Ocean Mining Administration's first functions will be to revise the draft EIS, and we have recently added to our staff a senior Environmental Coordinator to supervise the overall Interior Department effort.

- As in the past, we intend to rely on NOAA to provide the baseline environmental data necessary for the Statement. NOAA has allocated $3 million in its FY-76 budget to the DOMES program, and we are hopeful that this effort will enable the drafting of an EIS in full compliance with the National Environmental Policy Act.

- In recent weeks, we have been intensifying our work with NOAA and have proposed that our cooperative relationship be formalized through a Memorandum of Understanding between the two agencies. It is our hope that such a document will demonstrate to those outside of the Executive Branch the seriousness of our commitment to timely preparation of an EIS.

- Our present timetable requires completion of a final version of the EIS by mid-1976 at the latest. We hope that

NOAA, through its DOMES program, will have acquired an adequate base on which to prepare a programmatic statement by that time.

- However, in order to meet this schedule, the Ocean Mining Administration must begin immediately to revise appropriate sections of the existing draft.

- By June of this year, then, we intend to have revised and reorganized the existing draft statement and to have completed an extensive literature search in order to be certain that we have identified all critical data gaps that should be rectified through the DOMES program. In this regard, we have already brought to NOAA's attention certain areas requiring additional investigation at sea.

I will undertake to keep you fully informed as our thinking becomes more precise on the timing of these activities.

Sincerely,

Leigh S. Ratiner
Administrator
Ocean Mining Administration

United States Department of the Interior

BUREAU OF MINES
WASHINGTON, D.C. 20240

March 12, 1975

Memorandum

To: Assistant Secretary--Energy and Minerals

From: Director, Bureau of Mines

Subject: Bureau of Mines Marine Minerals Technology Center

In accordance with your request, the following information is provided on the subject Research Center.

The Marine Minerals Technology Center of the Bureau of Mines was established in fiscal year 1964 at Tiburon, California, and continued in existence until fiscal year 1971. On July 9, 1970, in accordance with Presidential reorganization plan number 4, this Center was transferred to the National Oceanic and Atmospheric Administration.

During the subject Center's existence, most of the research efforts were focused on the development of sampling tools and techniques (drilling, coring, geophysical methods, etc.) that would permit the accurate evaluation of the economic potentials of marine mineral deposits. The research work performed involved both onshore labora-

tory work and offshore work, primarily in the coastal regions off Alaska and southern California. In 1968, it was decided to concentrate this work in the land-based facilities at Tiburon. During the early years of the program (1963-1968), the research was oriented toward alluvial deposits, such as gold and phosphorite. Toward the end of the program the emphasis shifted to sand and gravel deposits. Throughout the program the emphasis was on shallow coastal and continental shelf deposits; however, it was recognized that some results might be applicable in the future to deep-sea mineral deposits. The following excerpt from the Bureau of Mines Annual Report for FY 1970 defines the activities of the subject center during the last full year of activities.

Memo to Assistant Secretary--Energy and Minerals, Subject: Bureau of Mines Marine Minerals Technology Center

FY 1970 Accomplishment

As part of an increased effort to predict and avoid potential environmental impact from marine mining, an annotated bibliography on "Environmental Disturbances Resulting from Offshore Industries" was prepared and an aquaria experiment to study the effects of suspended sediments on marine life was designed--the latter as a cooperative project with the Bureau of Sport Fisheries and Wildlife. Considerable preliminary information was also gathered on the environmental effects of dredging off the coasts of the United States and Great Britain.

Because of the need to develop basic information and baseline data before efforts to predict environmental impact from marine mining can be significantly expanded, major research and development activities continued to deal with the development of tools and techniques to accurately define marine mineral deposits and with basic engineering studies related to marine mining. The vertical test tank and test procedures were modified to permit more efficient evaluation of state-of-art drilling and sampling tools. Tests were performed on several corers as well as on the percussion-vibratory wire-line equipment and the controlled tension rotary drill system under inhouse development.

The marine potential of mining geophysics was analyzed in order to define areas of promise. As part of a cooperative effort through a fellowship to the University of California, the electric self-potential system for characterizing sulphide ore bodies in the marine environment continued to be developed and appeared to show promise, and plans were being made to test this system off the coast of Maine through a cooperative agreement with a mining company.

Dynamic penetration tests of a tubular body into sand were completed and tests into a simulated cohesionless soil, to gain insight into disturbance phenomena, were nearly completed. A 35-foot vertical flow test facility was built for conducting continuous studies of multi-phase vertical lifting. At year's end, a contract was negotiated for the drill sampling of Coronada Bank phosphorite deposits. Data will be used to correlate with results obtained earlier from the geophysical survey of the area and will serve to provide an improved basis for the development of methods for economic evaluation of this type of deposit.

Memo to Assistant Secretary--Energy and Minerals, Subject: Bureau of Mines Marine Minerals Technology Center

Being surplus to immediate needs and to save maintenance costs, the research vessel, Virginia City, was placed on loan with the Navy, subject to recall on a 90-day notice basis. At year's end, the ship entered drydock for extensive overhaul and improvements at Navy's expense.

The funding during the last four years of Center operation are as given below:

Fiscal Year	Appropriated	Other Sources
1971	$925,000 est.	-
1970	925,000	-
	Obligations	
1969	$1,467,270	$143,857
1968	1,442,436	92,314
1967	1,428,657	47,471

We hope this information satisfies your needs.

R. V. Fulton

Director

QUESTIONS SUBMITTED BY SENATOR M'GEE

Senator HOLLINGS. Senator McGee could not be here today but has submitted several questions to be answered for the record. The staff will hand those questions to you.

[The questions and answers follow:]

QUESTIONS BY SENATOR GALE W. MCGEE

ROCKY MOUNTAIN COAL EXTRACTION

Question. What percentage of the $45 million requested for mining research and development is programed for the study of coal extraction in the Rocky Mountain West, in Wyoming?

Answer. We have no R. & D. mining projects in Wyoming at the moment since termination of the Coal Mine Land Subsidence Project at Rock Springs. We have 12 percent of the $45 million programed for Rocky Mountain coals. This research effort plus that programed for other areas of the United States is applicable to Wyoming deposits. Furthermore, we have been negotiating with several of the major companies in the State to undertake some cost-sharing R. & D. reclamation of surface mined lands. Also, we are in the process of soliciting cost-sharing proposals from the mining industry to demonstrate underground mining methods for the thick and multiple seam coal beds found throughout the West. We would be delighted to consider proposals from Wyoming.

STRIP MINING STUDIES

Question. When will a comprehensive reclamation policy be derived for those areas of the West that will be the sites of strip mining and oil shale extraction? What is the status of such reclamation studies?

Answer. Comprehensive policy will be derived after enactment of pending Federal legislation on surface mine reclamation. In the meantime, State laws and policy are in effect for surface mining operations on private land in the West and Federal Regulations are administered and enforced by the Secretary of the Interior for such activities on Federal and Indian Lands. Surface mining and reclamation studies have already been initiated by the Bureau of Mines and will be expanded during fiscal year 1976.

COORDINATION OF ENERGY POLICIES WITH STATES

Question. What efforts has the Department of the Interior taken to coordinate energy policy with the respective States? Specifically, What liaison currently exists between the Department of the Interior and the States, and what is programed for the future?

Answer. In order to fully acquaint the States with our proposed OCS accelerated leasing program, a Governors Conference was convened on November 3–4, 1974, in Washington, D.C. At this time, the Governors were fully briefed on our plans to accelerate offshore development and the procedures we follow in planning for an OCS lease sale. The Secretary has met several times since then with the Atlantic coast Governors to further discuss issues surrounding OCS development. We are making a sincere effort to involve the States in our lease procedures. Points at which they can participate are as follows:

A. Environmental Study Program—Representatives from the coastal States serve on the OCS Research Management Advisory Board which oversees the Bureau of Land Management's environmental study program.

B. Development of OCS Orders—The Geological Survey consults with the States in the development of OCS Orders. These Orders provide industry with the rules and regulations to be followed in exploration and production activities on the OCS.

C. Call for Nominations—Approximately 12 months prior to a sale date, the Department publishes a request for nominaions in the *Federal Register*. All interested members of the public including the adjacent States are urged to nominate specific tracts which they would want to see studied further for possible inclusion in a sale. They are also asked to designate specific tracts which should be excluded from the leasing process because of environmental conflicts.

D. Tract Selection—Subsequent to receipt of the nominations, the Department makes a tentative selection of tracts. States will be consulted on the issues involved in the selection process. States will again be consulted before any final decision is made on tracts to be offered in a sale.

E. Draft Environmental Impact Statement—The DEIS contains a detailed environmental assessment on a tract-by-tract basis in addition to an anlysis of the general environmental conditions in the area. The States are asked to designate representatives to participate in the actual preparation of this document. This request has been made to California, Atlantic coast Governors, and to the Governor of the State of Alaska.

F. Public Hearing and Comments—After publication of the DEIS, a public hearing is held and States are invited to comment either orally or in writing. These comments are used in preparation of the Final Environmental Impact Statement.

G. Decision by the Secretary—After completion of the Final EIS and a Program Decision Option Document, a decision is made by the Secretary whether to proceed with the sale and, if so, the composition of the sale. The Governors of affected coastal States will be consulted before a final decision is made on what tracts are to be included in a sale.

H. OCS Orders—The Geological Survey will submit proposed OCS Orders to the States for review and comment. Efforts will be made to keep Federal standards as strict as State standards.

Consideration is also being given to having the States participate in the inspection of leases, and in the event a State has an approved Coastal Zone Management Plan, they will have to review actions which may affect land and water uses in the coastal zones. Such actions may include the approval of a development plan which is now solely the responsibility of Geological Survey.

With respect to coal leasing, the Department is currently formulating a new coal leasing policy. A briefing by the Secretary for the benefit of the western governors was held at Denver, Colorado on January 27, 1975. With the growing concern for statewide, county, and municipal impacts resultant from a Federal coal program, close coordination with these entities is and will continue to be an important aspect of the coal leasing program. This coordination occurs in many phases of the proposed coal program—in the preparation of environmental and resource inventories, at public hearings, in the analysis of industry and public nominations, and in monitoring rehabilitation projects. The new Federal coal program is designed to avoid unnecessary duplication between State, local, and Federal legislation by incorporating all information directly into the decision-making process of the Bureau of Land Management's (BLM) planning system. This positive approach coordinates State and local agencies into selecting environmentally satisfactory sites, and allows for adequate rehabilitation stipulations to be contained within the lease itself.

The complex nature of land and mineral ownership patterns in the West most often involves State lands interspersed with Federal lands. To assure adequate planning, environmental protection, and resource use, particularly at the tract selection phase of a new coal leasing program, it is of paramount importance that State and Federal agencies maintain close coordination between their programs.

Cooperative agreements between State agencies or the Governor's office and BLM will be arranged by appropriate BLM State Directors. Local government working relationships with the Bureau concerning proposed coal leasing will be initiated at the District Office level. An integral part of the proposed coal leasing program will be the presentation of tentative land use decisions to local and State governmental units for their critical review. The local District Manager of BLM weighs public, industry, and State and local government comments heavily in the final determinations of land use patterns. Should preparation of environmental impact statements (EIS's) for specific sites be necessary, States have the opportunity to comment on the draft EIS's during public hearings. These comments are used in preparation of the final EIS.

In terms of current status regarding coal leasing, the preparation of EIS's has involved extensive State-Federal coordination. For example, the Eastern Powder River EIS was developed with input from various Wyoming governmental agencies. Preliminary meetings are currently being held in Colorado in preparation for the development of the Northwestern Colorado Coal Leasing EIS. Additional meetings are scheduled to consider what specifically the EIS should

include, and to identify areas where the State is apprehensive about coal development.

Efforts are underway to revise regulations regarding surface management of the environment. Proposed revisions under preleasing procedures call for States to submit reports on specific areas before these are offered for lease. The reports describe resources in the area, and the potential effect of mineral resource exploration and development operations. The reports will be used in determining the appropriate land use for the area.

NATURAL GAS DEREGULATION

Question. Secretary Morton has publicly stated in his testimony that he favors the deregulation of "new" natural gas in order to stimulate the exploration and development of new supplies. Yet many citizens, especially in my State of Wyoming find it increasingly difficult to pay for this necessary fuel under the present controlled circumstances. Can you provide any alternatives to this dilemma through your Department?

Answer. There is always some degree of hardship imposed on consumers when there is an increase in prices, especially if the increase is in prices of basic necessities like food or fuel. However, the amount of hardship suffered usually decreases significantly over time as consumers adjust their way of life to the new prices facing them. We can certainly expect that this will happen in the future as consumers adjust their way of life to the present era of high energy prices.

While this adjustment is taking place, there is little that the Interior Department can do to ease the current hardship. However, the government as a whole can ease hardship through mechanisms such as the tax cuts now being worked out by Congress. Indeed, as an antirecessionary measure, the proposed tax cuts are justified as a means of restoring consumers' real income, which has been eroded in part by the increase in energy prices.

A word of caution must be added, however, about attempting to ease the hardship of higher energy costs by controlling prices at artificially low levels. While this appears to be a satisfactory solution in the short run, in the long run it actually imposes more hardship than would have resulted from letting prices go up in the first place. Who would deny, for example, that there are currently many homeowners and businesses who would be happy to pay very high prices for natural gas, if only they could obtain supplies? The fact that they would be happy to pay high prices is evidence that the hardship of high prices, though real enough, is still less than the hardship of getting along without natural gas.

INCREASED JOB OPPORTUNITIES

Question. It would appear to me that there is a great opportunity to provide public employment in these times of economic hardship through certain Department of the Interior agencies. The National Park Service and the Forest Service could be of great service in employing citizens in needed projects such as road and trail buildings, campgrounds development and maintenance and similar programs. What, in your opinion, would be the best means of utilizing such a work force in these projects?

Answer. We certainly want to do our part to contribute to economic recovery and help provide employment. A number of our bureaus have presented their proposals to the House in connection with the "Emergency Employment Appropriations Act of 1975." I am sure that the Senate will hear our requests shortly. As you noted, the National Park Service is well equipped to assist in this area. I believe their current proposals entail some 3,000 jobs at approximately 100 park areas and 34 states. The request includes provision for repair and rehabilitation of visitor centers, trail construction, maintenance and repair of roads, bridges, trails and scenic overlooks and others.

SUBCOMMITTEE RECESS

Senator HOLLINGS. The subcommittee will stand in recess, subject to the call of the Chair.

[Whereupon, at 12:50 p.m., Thursday, March 6, the subcommittee was recessed, to reconvene at the call of the Chair.]

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1976

WEDNESDAY, MARCH 12, 1975

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

The subcommittee met at 10 a.m., in room 1114, Everett McKinley Dirksen Office Building, Hon. Ted Stevens presiding.

Present: Senator Stevens.

FRANKLIN DELANO ROOSEVELT MEMORIAL COMMISSION

STATEMENT OF EUGENE J. KEOGH, CHAIRMAN

ACCOMPANIED BY:
EDWARD S. PEETZ, NATIONAL PARK SERVICE, NATIONAL CAPITOL PLANNING AND DESIGN TEAM

MEMORIAL TO LATE PRESIDENT

Senator STEVENS. Good morning. We will call the hearing to order.

First we will hear the witnesses on the Franklin Delano Roosevelt Memorial Commission, which is requesting funding only for the budget transition period, July 1 through September 30, 1976. The estimate is $6,000. This is about one-fourth of the ongoing program estimate for fiscal 1975. The justification has been included in the record [pt 2, pp. 2092–2031]. We will also include at this point the supplemental data requested by the committee that display actual and estimated commission funding for fiscal year 1974–76.

Mr. KEOGH. Good morning, Mr. Chairman, I am Eugene J. Keogh, Chairman of the Franklin Delano Roosevelt Memorial Commission, and I am fortunate to be accompanied by Edward S. Peetz of the National Park Service, which by authority of a resolution adopted some years ago, is acting as the commission's agent in furthering the commission's plans for a memorial to the late President.

Senator STEVENS. We are happy to have you here. If you have a statement, we will be pleased to have it.

PREPARED STATEMENT

Mr. KEOGH. I have submitted a written statement which I would offer, with your permission, for the record. I would, however, like to

amend the next to last paragraph of that statement to strike the words "formulation and execution" and insert "the commission's oversight of plans in developing the approved site," and strike "supervising the preparation of working sketches, sub-area plans and environmental impact assessment,".

[The statement follows:]

Mr. CHAIRMAN: It is my pleasure that I appear before your distinguished Subcommittee in my capacity as Chairman of the Franklin Delano Roosevelt Memorial Commission. As you undoubtedly know, the Commission has been in existence for a number of years and has been earnestly striving to discharge its primary function of undertaking the preparation and completion of an adequate and suitable memorial to the late President Roosevelt.

The record indicates that the Memorial Commission has met with a number of understandable delays. It was finally decided that we should seek the participation in the planning and design of the Memorial of the Secretary of the Interior. To that end, the Congress enacted Public Law 92-322 of the 92nd Congress, which was approved June 30, 1972. This joint resolution specifically authorized the participation of the Secretary of the Interior, upon the request of the Commission, in the planning and designing of a national memorial. The resolution authorized to be appropriated such sums as may be necessary to carry out the provisions of the originating resolution of August 11, 1955.

It was indicated in the support of the joint resolution that the estimated cost to the Department of the Interior to initiate the planning process, determine the concept and obtain a reasonably accurate estimate of the cost of construction was $175,000. By direction of the commission, I sought to have the Secretary of the Interior include the funds in its fiscal 1974 Budget. As a result, the National Park Service reprogrammed $175,000 from other projects and made it available for the preliminary planning of a memorial to the late president.

With the commission's approval, and under its direction, the National Park Service entered into a contract with Lawrence Halprin and Associates of San Francisco, California, to proceed with the planning of the memorial.

The Memorial Commission has unanimously decided that the Memorial should take the form, essentially, of a rose garden with sculpture in the site set aside by Act of Congress for the Memorial. It is generally conceded that this decision of the Commission has met uniformly wide support and very little, if any opposition.

Appropriations in the amount of $6,000 are requested to continue the formulation and execution of preliminary plans in developing the approved site, supervising the preparation of working sketches, sub-area plan and environmental impact assessment, and continuing the necessary administrative work incidental to completing the project.

The memory of the late President Roosevelt should be preserved in this fitting style and its long delay should not be extended.

Program and Financing (in thousands of dollars)

Identification code 31-05-0700-0-1-910	1974 actual	1975 estimate	1976 estimate
Program by activities:			
Franklin Delano Roosevelt Memorial Commission	11	23	23
Total program costs, funded	11	23	23
Change in selected resources (undelivered orders)	...	...	...
10 Total obligations	11	23	23
Financing:			
21 Unobligated balance available, start of year	-57	-46	-23
24 Unobligated balance available, end of year	46	23	...
Budget authority (appropriation)	...	...	...
Relation of obligations to outlays:			
71 Obligations incurred, net	11	23	23
72 Obligated balance, start of year	1	1	1
74 Obligated balance, end of year	-1	-1	...
90 Outlays	11	23	24

OBJECT CLASSIFICATION (in thousands of dollars)

Identification code 31-05-0700-0-1-910	1974 actual	1974 estimate	1976 estimate
Personnel benefits:			
21.0 Travel and transportation of persons	....	5	5
23.0 Rent, communications, and utilities	....	1	1
24.0 Printing and reproduction	....	2	1
25.0 Other services	11	14	15
26.0 Supplies and materials	....	1	1
	11	23	23

SUPPLEMENTARY SOURCE DOCUMENT (In thousands of dollars)

Identification code 31-05-0700-0-1-910	Function	Line No.	Def. (D) Indef. (I)	Leg. (S) No leg. (N)	1974 actual	1975 estimate	1976 estimate
A. ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS							
Budget authority	910	40	D	N	***	***	***
Total					***	***	***
Outlays	910	90			11	23	24
Total					11	23	24
Memorandum entries:							
Appropriation to liquidate contract authority							
Limitations:		9					
		9					
		9					
		9					

Identification code 31-05-0700-0-1-910			1974 actual	1975 estimate	1976 estimate
B. DISTRIBUTION OF OUTLAYS					
		Line code			
From new authority–current		311			
From new authority–permanent		312			
From obligated balances		313	1	1	1
From unobligated balances		314	10	22	23
From new appropriations to liquidate contract authority (memo entry)		315	( )	( )	( )
C. CHARACTER CLASSIFICATION					
	Function	MC	Character code		
Budget authority		1			
		1			
		1			
		1			
		1			
		1		...	..
		1			
Total					
Outlays	910	2	6313-24	11	23	24
		2			...	..
		2				
		2				
		2				
		2				
		2				
Total				11	23	24

ADDITIONAL FUNDS SOUGHT

Mr. KEOGH. Mr. Chairman, we are seeking here the additional sum of $6,000 under authority of the resolution adopted in the 92d Congress, and actually, it is for housekeeping and minor administrative disbursements to cover the three additional months of the extended fiscal year in 1976.

I am happy to report to the subcommittee that under the authority of the resolution's granting that authority to the Commission, we have directed, with the unanimous approval of the Commission, the National Park Service's entering into a contract with Lawrence Halprin & Associates of San Francisco for the formulation of the plan for the memorial, which generally will take the concept of a rose garden with some sculpture and which is the concept of the memorial that was adopted unanimously by the Memorial Commission and which has for the most part received enthusiastic support on the part of the public with little, if any, critical comment.

Heretofore, the plans that were presented by the Memorial Commission generated far more critical comment than favorable, and we take some heart at the reversal of that position.

PAST COMMISSION FUNDING

Senator STEVENS. I understand you are operating under lump-sum appropriations and have not had any budget requests, annual budget requests; is that right?

Mr. KEOGH. That is right. I wonder if I could ask Mr. Peetz to fill in the record in that regard, since the National Park Service is our agent.

Senator STEVENS. Will you exhaust your obligational authority by the end of 1976?

Mr. KEOGH. I doubt it very much. Under the resolution of the 92d Congress, approved June 30, 1972, we are authorized to appropriate such sums as may be necessary. We have had the authority to continue the expenditure of those funds. We have had continuing authority; haven't we?

Mr. PEETZ. In 1974, the Park Service reprogramed $175,000 to restart the process. In 1974 we carried out a very minor competition, and expended some $18,000 in having seven firms supply original concepts. The Commission selected Mr. Halprin as the consultant. We have since entered into a contract for the first phase of the memorial, the conceptual drawings.

We will still have some funds available at the end of this year which we will carry over into 1976.

Senator STEVENS. Will your obligational authority be exhausted by that time?

Mr. PEETZ. I don't think so. I think we can carry funds over as long as we have not expended them. But we are going to program some more funds in 1976 to finish out the preliminary drawings.

COMMISSION EXPENSES

Senator STEVENS. How many people do you have now on the Commission? How many people are directly employed by the Commission?

Mr. KEOGH. One. I think we have reached the irreducible minimum in that regard, Mr. Chairman. May I therefore present to you our sole and only, most capable employee, Mrs. Charlotte Hoskins?

Senator STEVENS. Congratulations, Mr. Keogh, and we are happy to have you here, Mrs. Hoskins.

Mr. Keogh, how did your expenses happen to double between 1974 and 1975? I am informed that your expenses doubled between 1974 and 1975.

Mr. KEOGH. I have no intimate knowledge of that, Mr. Chairman, except that it was during that time that we were conducting this mini-competition that Mr. Peetz referred to resulting in a greater number of Commission meetings. We have to reimburse members not residing in Washington for their travel and actual expenses.

Senator STEVENS. Mr. Peetz, does the Park Service contemplate incurring any additional expense as far as the design of this memorial that is not included in this request?

Mr. PEETZ. This request for $6,000 is not for the Park Service.

PARK SERVICE FUNDING

Senator STEVENS. Is there money in the Park Service for this?

Mr. PEETZ. We are asking for $75,000 in 1976, that takes it up to the construction drawings stage. The Commission is going to have to come to Congress for funds, when they find out how much the memorial will cost, for contract drawings, supervision, and construction.

Senator STEVENS. Are there any estimates of how much the memorial will cost?

Mr. PEETZ. We will not know until the preliminary designs are done.

PRIVATE FINANCING

Senator STEVENS. Is the funding concept from the Commission for the memorial changing, Mr. Keogh? I was informed it was going to be private funding. Are we changing it to Federal funding now?

Mr. KEOGH. We don't intend to change it unless it is necessary. We do have authority to accept contributions from the public, and we intend to pursue such avenues in that regard as might be available. Unfortunately, the delay in making progress with respect to the memorial has caused us to lose the physical presence of some of the late President's contemporaries who are most interested in helping us in that regard.

Senator STEVENS. Maybe we should have them all set up under a little Keogh Plan, Mr. Keogh.

Mr. KEOGH. I would have no objection to the expansion of that plan to other things.

Senator STEVENS. We are happy to have you here.

MEMORIAL TIMETABLE

What is the target date for completion of the F.D.R. Memorial?

Mr. KEOGH. Hopefully we will move with a relative degree of dispatch and we might reach the degree of going into construction as soon after congressional approval as possible.

Senator STEVENS. When should we expect the memorial to be completed?

Mr. KEOGH. I would say reasonably within two years after the appropriation of the funds that might be needed to supplement any private funds that we can collect.

Senator STEVENS. The site is selected?

Mr. PEETZ. Yes. It is in West Potomac Park.

Mr. KEOGH. By act of Congress, Mr. Chairman.

May I express to you my deep appreciation for your affording me the opportunity to appear here this morning, and for dismissing me, hopefully, in time for me to catch the 10:30 flight back to the world's capital.

Senator STEVENS. I thought you were in the world's capital.

Mr. KEOGH. New York City.

Senator STEVENS. Thank you very much.

NATIONAL GALLERY OF ART

STATEMENT OF J. CARTER BROWN, DIRECTOR

ACCOMPANIED BY LLOYD D. HAYES, TREASURER

BUDGET REQUEST

Senator STEVENS. We will next consider the request of the National Gallery of Art for fiscal year 1976 for $7.5 million, an increase of nearly $1 million over appropriations to date for the current year. The justification has been included in the hearing record (pt. 2, pp. 1795–1808).

PREPARED STATEMENT

Good morning, Mr. Brown. Please introduce those accompanying you. Your prepared remarks will be inserted in the record.

[The statement follows:]

The $7,598,000 appropriation requested for fiscal year 1976 will support at the current-year level the Gallery's basic program objective of encouraging the study and enjoyment of the fine arts, and will provide for the continuation of the orderly growth in staff preparatory to the complete occupancy of the new East Building, now forecast for late 1977. By the end of fiscal year 1976, however, the exterior of the new East Building, the underground connecting link with cafeteria and space for support-type functions, and the joining plaza at ground level are expected to be completed. Priority has been given to an early completion of those parts of our building project in order to better serve visitors to Washington in the bicentennial year. In celebration of the Revolution Bicentennial, a major exhibition, "The European Vision of America" will be opened in December, 1975. Following the end of this exhibition, in the spring of 1976, will be "The Eye of Thomas Jefferson," another Bicentennial exhibition which will cover almost one-fourth of the main floor of the existing building.

The 1976 request exceeds the current-year appropriation of $6,623,000, plus an anticipated pay-increase supplemental of $302,000, by $673,000. The proposed appropriation will support an average employment of 447—an increase of 21 over the estimated average employment for the current year.

Fifty-five percent ($395,700) of the total increase is required for non-discretionary personnel costs and increased costs of utilities due to rate increases. The non-discretionary personnel costs include: the amount required to place 15 positions (to be filled for only one-half of the current year) on an annual basis; to pay statutory within-grade promotions and wage-board step increases; to pay compensation and benefits for the extra compensable day in fiscal year 1976; and to pay a greater sum to the Department of Labor for accident compensation payments.

Approximately thirty percent ($214,700) of the total increase will pay for employment in 21 new positions and related costs. Three of these positions are to improve the in-house capability in the conservation of the collections; three positions are to provide sufficient staff for the continued growth of the fine arts library which will serve the study center planned in the new East Building; two positions are to help with increased workloads in temporary exhibitions and art loans; two positions are to provide checking services at the Seventh Street entrance to the building which in 1976 will be open regularly to the public; and the remaining eleven positions are to strengthen protection of the building and the irreplaceable art objects.

The remaining fifteen percent is comprised of the following increases: $54,000 for additional support of temporary exhibitions; $21,600 for the temporary employment of three additional summer interns and a space planner to assist in the detailed planning for occupancy of the new East Building; $20,000 for the increased costs of general supplies and materials; $6,300 for the replacement of a duplicating machine; and $5,000 for storage cases for archival photographs.

The total increases add to $717,300, but are offset by $44,300 in decreases for non-recurring items in the current year for a net of $673,000.

In summary, the proposed appropriation of $7,598,000 exceeds the current-year requirement by $673,000. The increase provides $395,700 for nondiscretionary increases in the cost of utilities and in personnel compensation and benefits; $214,700 for part-year employment and equipment for 21 new positions; and $62,600 (after offsetting decreases of $44,300) for a 1.5 man-year increase in temporary employment, additional support for temporary exhibitions, two pieces of equipment, and a small increase for operating supplies.

INTRODUCTION OF ASSOCIATES

Mr. BROWN. Thank you, Mr. Chairman. I have with me Mr. Lloyd D. Hayes, the treasurer of the National Gallery. Also with me in the room is Mr. Joseph G. English, administrator; the budget officer, Mr. Philip E. Stratmann; the secretary, Mr. Robert Amory.

I am delighted to submit for the record the statement we have given you in writing. If I might be permitted, Mr. Chairman, I would like to highlight gallery activities at this moment.

ATTENDANCE AND ACQUISITION OF MAJOR PAINTING

Attendance at the National Gallery of Art since the beginning of the year, the fiscal year, through February is up almost 50 percent this year over last.

We have had a banner year in many respects. One of the most important events to happen to us was the acquisition of a very great masterpiece, the painting by George de La Tour, the "Repentant Magadalen," which was announced this fall in the New York Times and elsewhere, after a year of negotiations with highest levels of the French Government for permission to export it from that country, as it was considered a national treasure by their Council and could be exported only if that decision were overruled by a Minister of Cabinet rank. We understand that the President of France was involved.

CHINESE EXHIBIT

We are currently exhibiting "The Archeological Finds From the People's Republic of China" which is one of the most successful exhibitions we have had. The attendance at that show hit the half-million mark on Monday, and before it closes, should outstrip the level set by the displaying of the "Mona Lisa" in 1964.

The installation of the show has been praised universally by the critics and in heavy mail from the public. It has been compared to the installation of the show elsewhere and has been universally considered an improvement, even though the budget for the show, in a couple of other showings I understand, was in the range of $1 million.

The concept of the installation is to show each object off to its best advantage, and the comment most frequently heard is, "Haven't you added something to this show? This isn't the show I saw; you have more objects." The fact is they are perhaps more visibly displayed.

Part of the financial arrangement that made it possible for us to put this show on was Public Law 93–287 which was passed by the Congress last May and which provided indemnification by the U.S. Government to the Government of the People's Republic of China in case of any loss or damage. This obviated the necessity for us to raise funds to provide insurance premiums, which, given the evaluation by the lenders of $51 million, would have been a sizable amount.

I would like to invite you down before the closing. I know how busy you are, but we would love to slip you in if you have a chance to see it.

NEW EAST BUILDING

The other major project is the East Building, which is the east wing of the National Gallery of Art. I have brought with me some photographs which illustrate the plans and also the considerable progress that has been made in construction since I was here last year.

The whole project is a very large one in our terms, providing over twice the square footage of the original building, which, of course, is one of the larger art museums in the world.

The project is probably in the scale, and will continue to be, among the largest art projects in American history. Its cost will exceed $75 million, all of which will have been donated from private sources at no cost to the Federal Government whatsoever.

We are counting, of course, on the pledge of the full faith and credit of the United States which was given at the acceptance of the original gift of the National Gallery that the maintenance and upkeep will be provided from Federal sources. That is one reason we are here today.

Senator STEVENS. Why is that construction going so slowly?

Mr. BROWN. We find the complexity of the architectural design and the sheer scale of it takes time. We are satisfied that things are moving quite rapidly. At the moment, the connecting link changes physically from day to day. We hope to have it in time for the Bicentennial summer.

Senator STEVENS. Is it on schedule?

Mr. BROWN. It is, on the present schedule. Our hope was originally that we would be able to complete it faster. What we have discovered is when you are designing a building which responds to the urban design of Washington, and the angle calculated by Major L'Enfant, with the concept of Pennsylvania Avenue and the Mall axis, this makes a much more difficult building to build than the normal square building that gets put up speculatively in jig time.

Senator STEVENS. When do you expect it to be completed now?

Mr. BROWN. We hope in the art season of 1977–78 that we will have the building open.

BICENTENNIAL CELEBRATION

The other aspect of the year coming up which is in our minds very much is the influx of visitors that will come to Washington by virtue of the Bicentennial celebration. We are offering them a variety of exhibitions.

One will be the largest we have ever mounted. It is called "The Eye of Thomas Jefferson." It is a survey of the context out of which the American Revolution emerged. We will put it on the main floor of the gallery. It will take up a large part of that. We have been working on it now for 2 or 3 years. The loans are virtually all promised and it bodes to be a very exciting show.

This completes my statement.

BUDGET FOR EXPANSION

Senator STEVENS. How much of your budget request is directly tied to the expansion of the East Building?

Mr. BROWN. Primarily, it is in the building up of a resource, of a Center for Advanced Study that will be housed in the East Building. Also, all of our on-going activities will be affected by increased size of the organization, such as our need for conservation, our need for personnel for the exhibitions and loans department, and our need for guards.

Senator STEVENS. How much of this is for Bicentennial activities? Is there any of the Bicentennial increase in this budget?

Mr. BROWN. I think not, specifically, except to the extent our exhibitions program will include shows keyed to the Bicentennial.

NEW POSITIONS

Senator STEVENS. I understand you have 21 new slots, a request for 21 new positions in this budget, in addition to the 15 that were added this year. Why do we need those 21 new positions on top of the 15 you were authorized last year?

Mr. BROWN. I can break them down according to the functions performed. The most important single aspect is the guarding of the collection. We have a very great need for 11 new guard positions. The maintenance and security of the collection is our very highest priority.

Senator STEVENS. When you say 11 will be for a full year, will they be on-going after the exhibit is completed? Will they stay at the gallery?

Mr. BROWN. Absolutely; the guards are required year round, and, of course, build towards a greatly increased guard force as we open the new building.

We have just opened the Seventh Street entrance to the National Gallery, for example, which has been a very popular way to get into the gallery now that the skating rink is open immediately across the

street from it. Of course, the Bicentennial crowds are apt to come to see the Declaration of Independence at the Archives, and our Seventh Street side is the one that faces on the center of gravity of mall activity.

It is important to show that the gallery is not presenting a closed facade to the world, and this requires not only guard positions to man the door—the only way out of the building and a key spot in terms of protection against theft—but also checkroom personnel.

Senator STEVENS. You intend to fill them by January 1976, is that correct?

Mr. BROWN. Yes. If possible, we hope to fill the 11 guard positions in July of this year.

PAY COST INCREASES

Senator STEVENS. Were you asked to absorb any of your pay cost increases for the current year?

Mr. BROWN. We are in for a supplemental. Mr. Hayes has the data.

Mr. HAYES. We have requested a supplemental of $302,000 for two pay raises for Wage Board employees—one effective in May of 1974 and the other effective in October of 1974—and a pay increase for General Schedule employees that was also effective in October 1974.

Senator STEVENS. Were you able to absorb any of the increases?

Mr. HAYES. No, we were not. We are absorbing some increases in the cost of our utilities. But that is all we are able to absorb. As a matter of fact, we are in such dire straits as far as the current year is concerned, we are probably going to have to defer the late evening hours in the spring until June 15.

Normally, we would begin staying open in the evening until 9 o'clock on April 1. We were open at night during January because of the Chinese exhibition, and we are open 2 hours earlier on Sundays due to the Chinese exhibition being here. That is taking a considerable portion of our funds that otherwise we would be using for the summer evening hours.

BOOK ACQUISITIONS

Senator STEVENS. I understand you have requested additional employees to handle increased book acquisitions, is that correct?

Mr. BROWN. That is right, Mr. Chairman. We have been fortunate in being able to raise private donations to acquire books for the library.

Senator STEVENS. How do your donations compare with 1973 and 1974 fiscal years? Aren't you budgeting any increase in donations?

Mr. BROWN. No. We have developed a fund out of which we can purchase, and the limiting factor is the personnel that we have to process the acquisitions. The acquisition gifts since 1971 add up to more than $1 million.

This year, just a couple of weeks ago, we got a gift specifically earmarked for the acquisition of books in the amount of another $50,000. The purchases, however, cannot keep pace with the availability of funds because of the backlog in processing that has accrued.

We now have some 23,000 uncataloged items on hand in the library. There are times when it is important to take advantage of a purchase opportunity, even if you cannot get it cataloged right away, but obviously there comes a point when you have to know what you have.

Also, in order to justify the faith of our donors in the fact that their donations will be properly used, we feel very strongly we have to have a staff commensurate to this flow of gifts to the Nation.

NEW CONSERVATION POSITIONS

Senator STEVENS. I understand you seek three new positions for the conservation laboratory. You already have five positions in that laboratory, I am informed. Will that be all that you need for this in-house capacity as far as this laboratory is concerned?

Mr. BROWN. No, Mr. Chairman, we are hoping to develop the conservation facility further in order to address a backlog which is staggering in size. This takes some explanation, I recognize, because for the first 30 years or so the gallery was able to coast on the fact that so many of the gifts that it had received had come in with a great deal of conservation work done on them. But time is the great enemy of works of art.

I have some photographs as to what happens to a work of art over the years as it deteriorates. Some of it is extremely dangerous and needs emergency attention.

Senator STEVENS. Do you need any more positions for this conservation laboratory?

Mr. BROWN. We will in time, as the collection grows, and as our activity of loans increases with the number of works of art. What we have now amounts to 32, 346, as against the nucleus collection of 122 that had been given before we opened our doors.

With the attraction of the East Building, we expect the collections will continue to grow at a fast pace. We also have a tremendous demand for loan of our objects. We lent over 600 objects in the last year. Through loans we can spread these benefits around the country to many of the outlying communities. Whenever a work of art is requested from the gallery it needs attention to see if it is fit to travel. If not, we have to get to it. So the workload is far beyond whatever the group we are asking for this year will be able to handle.

But we are under constraints of space at the moment which will be greatly eased when the East Building is completed and we can evacuate the present cafeteria and take that space over for a new and larger conservation lab.

We have been successful in raising three-quarters of a million dollars from a foundation in Michigan to help defray the costs of creating a conservation laboratory in this new location. But what we need is ongoing support of the personnel who will work there.

OTHER NEW POSITIONS

Senator STEVENS. Do I understand these new people you want are for existing checkrooms, but you just envision longer hours of operation? You are not expanding the checkroom space are you?

Mr. BROWN. No. There is a new checkroom required by virtue of opening a third entrance to the gallery at the 7th Street door.

GALLERY SECURITY

Senator STEVENS. The 11 guards you have for next year are primarily because of the Bicentennial activity and you will carry them over to the new building when it opens?

Mr. BROWN. That is true in part. Also, we have developed space in the existing building more extensively for temporary exhibitions. Five years ago, the space we would normally devote to temporary exhibitions amounted to 3,800 square feet. We now have been able to develop other areas mainly on the ground floor of the gallery which gives our temporary exhibit capability some 13,000 square feet. Also, our shows are likely to be of three dimensional objects and installed in such a way that you are developing individual spaces to set them off. This interrupts the line-of-sight of the guards and you have to have an increased number of guards per square foot in such an exhibition.

Upstairs, where the pictures are put around the walls, we use one guard for two rooms and he has an uninterrupted view. In temporary exhibitions this is not true.

In the Chinese exhibition, we found we needed 11 guard positions we had not needed previously in order to handle that. The result has been we have had to close off areas on the main floor from public view. This has resulted in great public outcry, letters to the editor of the Washington Post, not to mention my own conscience.

Our permanent collection, is, of course, one of the great and glorious collections of the world and I want it to be seen by as many people as possible. I hope with the new guard force positions we will be able to take care of this situation and guard our pictures against threats of vandalism that are constantly hanging over our heads.

I brought some pictures of the actions of a person who last year went berserk in one of our galleries, and took a chair and smashed it against a picture. As you can see from these photographs, our conservation laboratory has been able to repair both of these. It is something that is very difficult to guard against.

We received a threatening letter only last week from someone who must be mentally unbalanced saying he was going to destroy one of our pictures. There is no way to guard against this except having enough guards to be very, very vigilant.

Senator STEVENS. Do you use any electronic surveillance equipment?

Mr. BROWN. We do, indeed. We have ongoing experiments in this field. It is very difficult to get it adjusted so you are not plagued with false alarms.

SUMMER INTERNS

Senator STEVENS. You have three new summer interns. For what purpose?

Mr. BROWN. These will be in curatorial areas of the gallery. There has been tremendous interest in working at the gallery on a summer basis. Three will have to be chosen out of many applicants. We will

51-957 O - 75 - pt. 3 - 13

have 10 in total in our graphics departments, our education department, our conservation lab, our exhibitions office, the editor's office, the library and photographic archives. It is a service we can perform of an educational nature which hopefully will enrich the museums around the country as these people get attracted to this field.

Senator STEVENS. How do you pay them?

Mr. HAYES. They are paid at a grade four level.

Senator STEVENS. How much is that?

Mr. HAYES. The three of them, I believe, will cost about $5,000 for 3 months.

Senator STEVENS. Each?

Mr. HAYES. No, for the three. It would be a yearly rate of $7,596.

Senator STEVENS. They would be paid individually at a rate of $7,596 a year?

Mr. HAYES. At that annual rate; but they are only employed 3 months for the summer.

Senator STEVENS. Are they college graduates?

Mr. HAYES. They are usually juniors, or above. Some of them are working for a graduate degree or getting ready to.

VISITATIONS TO GALLERY

Senator STEVENS. You mentioned, Mr. Brown, that attendance is up from last year. I was informed that the gallery's attendance had dropped in fiscal 1974.

Mr. BROWN. That is true, over the year before. The figure that I mentioned was unreleased figures so far because they are only for a partial year. But calculating the months from July through February, they are up over 50 percent over the same period last year.

Senator STEVENS. Please give us those figures for fiscal years 1973, 1974, and your estimate for 1975, and what you predict for 1976.

Mr. BROWN. I would be very happy to.

[The information follows:]

Attendance at National Gallery of Art

Fiscal year:	*Attendance*
1973 actual	1,619,581
1974 actual	1,263,690
1975 estimate	1,729,000
1976 estimate	1,829,000

EVENING HOURS

Senator STEVENS. You also mentioned that you are trying to keep the gallery open in the evenings. Do you have any records of the attendance that you get in the evenings when you are open in the spring and summer?

Mr. BROWN. Yes. It varies from month to month. The number of evening visitors for last year amounted to 11,000 in April, 12,000 in May, 15,000 in June, 18,,000 in July and 23,000 in August.

Senator STEVENS. You were not open in September?

Mr. BROWN. Just through Labor Day, at which time there were 474 people who came in the evening that day.

Senator STEVENS. Is that attendance level the same over the years when you open in the evening? What we want to know is, is there sufficient justification for remaining open in the evenings in the summertime?

Mr. BROWN. I think the justifications must be looked at in a variety of ways and not simply quantitatively.

In my view the quality of the visit goes up when you are not dodging other people's heads in order to see the pictures. It is a very pleasant environment there in the evenings. I also feel very strongly the tourist public comes on the long daylight summer days and has very little to do in the evening and it is a marvelous opportunity to get them interested and to have them come.

But from a sheer cost effectiveness calculation, those hours are not as justifiable as the heavy daytime hours, there is no question about it.

Senator STEVENS. How long are you open in the evening?

Mr. BROWN. Until 9 o'clock.

Senator STEVENS. Does that amount to a day and a half under your normal administrative procedure?

Mr. BROWN. That is right.

DONATED FUNDS

Senator STEVENS. You don't have anything in the justification for the amount of donated funds you have used for the gallery. Could you give us the amount you have used over the past 3 fiscal years, how much you predict you will use in 1976?

Mr. BROWN. All right. We will provide that for the record.

[The information follows:]

EXPENDITURES FROM DONATED FUNDS

[In thousands]

	1973 actual	1974 actual	1975 estimate	1976 estimate
Construction	$8,327	$13,697	$23,000	$20,000
Administration and operation	741	756	760	760
Special exhibitions, education programs, and projects	335	148	270	300
Music program	67	67	67	70
Fellowships	90	92	92	92
Conservation research	140	146	146	
Art purchases	3,568	1,497	150	150
Cost of publications sold	526	507	600	600
Other	170	172	172	172
Total expenditures	13,964	17,082	25,257	22,144

LANDS AND STRUCTURES

Senator STEVENS. Also, there is a $39,000 item for lands and structures. What is that for?

Mr. HAYES. That is not an item of increase; is it?

Senator STEVENS. No. It is just a classification that we cannot understand what it is for.

Mr. HAYES. Any repair or alteration of a building is classified as lands and structures. That is an amount that we carry in the budget in the event we have to make a large repair. In this year and last year we used part of it to put up some storm windows.

We have 105 windows in the gallery. You might not discover that unless you got behind those moat walls, but none of those windows were double pane, all single pane, noninsulating glass. We found if we put up a storm window we can reduce the condensation that will occur in the wintertime and thereby eliminate the necessity for the engineers to go around and wipe up the water that runs down the window. The windows are large, like the ones that you have here. That is one thing we are doing.

Last year we had a major repair of a large air-conditioning compressor that cost us $32,000. So it is that type of thing.

BICENTENNIAL CELEBRATION

Senator STEVENS. Other than the positions we have discussed, the guards, the checkroom people, and your interns, have you actually considered the Bicentennial problem? I mean, is this going to be your only request for the Bicentennial on this application to the gallery?

Mr. BROWN. This is the way we calculated it, Mr. Chairman. We are open to the public anyway. We expect a tremendous influx of the public and we hope to be able to handle them. That is why we made these requests for the budget.

Senator STEVENS. I want to make certain that you have considered the full implications for the Bicentennial years. As far as your operation is concerned, you feel that you have?

Mr. BROWN. Our hope is we will be able to raise donated funds with our major Bicentennial exhibition. We have not yet in all honesty received such a pledge. We have approached some foundations on it. We were successful in the Chinese show in getting a grant from a major corporation to help out. We have hopes we will be able to do that.

We are also eager to see the Congress pass an indemnification bill that will cover more shows than just the ad hoc acts passed for the Chinese show and the Russian show. This would help tremendously with the cause of our Bicentennial show.

Senator STEVENS. Is that legislation in now?

Mr. BROWN. I think it is being prepared. I do not know how far along it has gotten. I think Senator Pell's office has been working on such a bill.

In addition, if we are fortunate enough to be able to complete our connecting link and our Fourth Street door in time for the Bicentennial crowds in the summer of 1976, we would then be very hard pressed to guard that entrance and provide checkroom facilities and so forth, and that will affect the transition budget.

This we have not put in for because at the time we were drawing that up in the fall, we did not have a clear enough idea about what the construction schedule would be. It could be that we will be hard pressed over a year from now when the fiscal year has ended, but in the transitional period, to open that facility for the Bicentennial summer.

PREPARED STATEMENT

Senator STEVENS. We have a statement that will appear in the record at this point from Senator Hatfield.

[The statement follows:]

STATEMENT OF SENATOR MARK O. HATFIELD

Mr. Chairman, as a member of this subcommittee, I naturally am interested in programs carried out by the National Gallery of Art. I have a few comments on the year just passed. First, let me say what I know all of us in the Senate feel about the major show now in progress containing the material from China. It is a magnificent exhibition, and the staff of the gallery responsible for work on this show deserve all the accolades they have received. While I recognize that it is the exhibition material itself in The Exhibition of Archeological Finds of the People's Republic of China that is the real star of the show, the way in which the treasures are presented adds to their beauty and their meaning. I hope the Gallery can match such shows in the future, but I recognize this is a difficult task.

In addition to praising this show, I do want to note two occasions that appeared to go unrecognized by the Gallery in 1974. March 6, just last week, marked the 500th anniversary of the birth of Michelangelo, yet I am not aware of efforts by the Gallery to honor this date in some manner. Secondly, 1974 marked the hundredth anniversary of the first Impressionist show. From April 15 to May 15, 1874, in a studio of a photographer Nadar, the "Societe Anonyme des Artistes, Peintres, Sculpteurs, Graveurs" show marked what most people call the first Impressionist show. Cezanne, Degas, Monet, Pissarro, Renoir, and Sisley all were represented at this showing. In view of this date, and the popularity of Impressionist painting, I am somewhat surprised there was no effort made to call attention to this date. I am aware that there were major shows in Paris and New York devoted to Impressionist painting, and with the P.R.C. show, there may not have been resources or time to prepare a show. With the many Impressionist paintings already owned by the Gallery, however, and with those at the Phillips Gallery as well, I would have thought an effort would have been made at least to call attention to the paintings already at the Gallery, and their relationship to this historic show in 1874.

With the Exhibition of Archaeological Finds of the People's Republic of China, however, this past year remains one in which all those associated with the Gallery should be proud. I hope that this next fiscal year will bring as many satisfactions to all of you.

MICHELANGELO AND IMPRESSIONISTS NOT RECOGNIZED

Senator STEVENS. Senator Hatfield is critical that the 500th anniversary of the birth of Michelangelo on March 6 was not recognized by the gallery as well as the 100th anniversary of the first impressionist show. You may want to discuss it with him.

Mr. BROWN. I am delighted he has mentioned those. We have considered both of those and felt with the tremendous load on our exhibition schedule this year, with the extraordinary strains the Chinese exhibition has put on us, we were not able to branch out into other areas. We were not unaware of the Centennial Impressionist show that was taking place in New York and it seemed unnecessary for us to get into that, particularly as impressionism is a subject we feel is very well known to the public and we have a permanent display, one of the great collections of impressionist art in this country, and have as recently as the mid-sixties put on a major impressionist show with the impressionist works of Mr. and Mrs. Paul Mellon.

Michelangelo is tremendously rare. There are no Michelangelos around in this country, either painting or sculpture, and the drawings are few and far between.

The problems of trying to assemble any of those have boggled everyone's mind. London has a small show of Michelangelo's drawings. But no one has been able to gather together the sculpture and paintings because they are so rare and so valuable. Costs are prohibitive. The lenders are simply not willing to part with them.

But we are delighted to have this kind of expression of interest.

We are aware of other centennials: 1977 will be the quadri-centennial of the birth of Peter Paul Rubens, and we are trying to raise funds to commission a film to celebrate that event which we will show in the auditorium.

Senator STEVENS. Thank you. I think we have sufficiently covered the gallery's budget request.

COMMISSION OF FINE ARTS

STATEMENT OF J. CARTER BROWN, CHAIRMAN, COMMISSION OF FINE ARTS

ACCOMPANIED BY:

CHARLES H. ATHERTON, SECRETARY
DONALD B. MYER, ASSISTANT SECRETARY
FRANK SUMAN, BUDGET ANALYST, DEPARTMENT OF THE INTERIOR

PREPARED STATEMENT

Senator STEVENS. While we have you here, Mr. Brown, we can take up the Commission of Fine Arts and take up the budget request for that Commission. It totals $200,000, and I am informed it is $29,000 above the current year. The justification has been included in the record (part 2, pages 1961–1964), and we will include your statement at this point.

[The statement follows:]

Mr. Chairman:

The Commission of Fine Arts is requesting an appropriation of $200,000 for its activities in fiscal year 1976. This is an increase of $24,000 over fiscal year 1975.

The Commission foresees the continuation of its efforts to improve the appearance of Washington for both the coming Bicentennial and the future. Various major planning, upgrading, and improvement projects such as the implementation and continued development of the Pennsylvania Avenue Plan, the Mall Master Plan, the National Zoo Master Plan, and large-scale downtown renewal projects will continue under the guidance of the Commission of Fine Arts both for the monumental area and the community under its new government.

The Commission staff is involved in ongoing liason as required by such major projects with the Smithsonian Institution, the National Park Service, the General Services Administration, and the Pennsylvania Avenue Development Corporation on plans for buildings, parks, and monuments. Our relationship to the new D.C. Government will go on as provided by the Shipstead-Luce and Old Georgetown Acts, as well as with new schools, libraries, and development at Judiciary Square. So while our case load may only increase modestly, we continue our involvement in many of the larger-scale projects which demand substantial Commission attention and staff time.

The largest portion of our requested increase for fiscal year 1976, $13,000, is for printing. This has become a very important function of the Commission in providing the public as well as other government agencies with information on Washington architecture. Our publications are in high demand, so much so that two of our recent publications, including the reprint of our Georgetown Historic Waterfront, produced only last year, have sold out, and even our Massachusetts Avenue Architecture, Volume I is in short supply. The demand for these and all of our publications, including the new Bridges and the City of Washington, continues to be heavy, and we are planning reprints of those that are out of print or in short supply. The second volume of the Massachusetts Avenue study should be published this year, and the staff has begun work on a volume on 16th Street.

The rest of our requested increase is based on an overall 5% increase in operating expenses. While most of our expenses will not change as much as 5%, if at all, our two major remaining areas of expenditure, rent and personnel, have increased more than 5%, with such factors as a $6,000 increase in rent and within-grade raises for the staff. The Commission staff has remained the same size over the last ten years, and there is no anticipated change.

COMMISSION OF FINE ARTS

PROPOSALS REVIEWED AND ADVISED, FISCAL YEAR 1975

SUMMARY:

Old Goergetown Act	134 cases	(8 months)
Shipstead-Luce Act	29 cases	" "
District Government	10 cases	" "
Federal Government	44 cases	" "
Mint Coins & Medals	7 cases	" "
WMATA	51 cases	" "
Legislative Review	1 case	" "
	276 Total for 8 months	
	450 Total projected for FY 1976	

Case Load in FY 1974 was 428.

ITEMS:

DISTRICT OF COLUMBIA PERMIT REVIEW

Old Georgetown Act, 134 cases
Shipstead-Luce Act, 29 cases

DISTRICT OF COLUMBIA, GENERAL SERVICES

Federal City College, Remodelling of Carnegie Library
Langdon Park Recreation Center Building, designs
Engine Company No. 2 Replacement, designs
Burrville School Replacement, designs
D.C. Courthouse Facility, final designs

DISTRICT OF COLUMBIA, OTHER

Tia Maria Restaurant, Southwest Waterfront, RLA
Glasgow Seafood Restaurant, Southwest Waterfront, RLA
International Trade Center, Metro Center, proposal, RLA
Union Station Plaza, Channelization of Traffic, Department of Highways and Traffic
Union Station Plaza, Highway Geometrics, Department of Highways and Traffic

FEDERAL GOVERNMENT, SMITHSONIAN

National Zoo, General Services and Parking Facility, designs
National Zoo, Bear Exhibits, designs
National Zoo, Education and Administration Building, designs
"South Yard" Redevelopment, landscape and parking plans
National Zoo, Glockenspiel, designs
National Zoo, Frog Sculpture, site plans
Visitor Service Facility, West Court, Museum of Natural History
National Zoo, Elephant House Yards Remodelling, designs
National Zoo, Bird House Hill Development, designs

FEDERAL GOVERNMENT, NATIONAL PARK SERVICE

Lyndon B. Johnson Memorial Grove, landscape & paving plans
Refreshment Kiosk, Constitution Gardens, designs

Pavement Markings in Monumental Core, area map
Temporary Installation of Sculpture, Reservation 30
Muhlenberg Memorial, Connecticut Ave. & Ellicott Street, N.W.
Fort Circle Park Shelters, designs
Anacostia Park Master Plan
Anacostia Park Roller Skating Pavillion
Bus Shelter for 7th Street, National Gallery, designs

FEDERAL GOVERNMENT, MILITARY

Plaque to Dead in Battle of the Coral Sea, Tonga
U.S. Marine Corps Historical Center, Washington Navy Yard
U.S. Property and Fiscal Officer's Office and Warehouse
Army Band Building, Fort Myer, designs

FEDERAL GOVERNMENT, GENERAL SERVICES ADMINISTRATION

Federal Home Loan Bank Board Building, designs
Mechanical and Electrical Updating of Winder Building, plans
Winder Building Feasibility Study
Precipitation Equipment Installation, Central Heating Plant

FEDERAL GOVERNMENT, OTHER

National Capital Planning Commission, Revised Official Seal
Energy Research & Development Administration, New Official Seal
Graphics and Information System, HEW
Chancery of Embassy of Ghana, State Department, designs
Brookland and Congress Heights Post Offices, U.S. Postal Service
Proposed Swimming Pool, the White House, designs

DEPARTMENT OF THE TREASURY, BUREAU OF THE MINT

Medal - Historic U.S. Customhouse, Galena, Illinois
Medal - Historic U.S. Customhouse, New York, New York
Medal - Historic U.S. Customhouse, Providence, Rhode Island
Medal - Historic U.S. Customhouse, New Orleans, Louisiana
William E. Simon, Secretary of the Treasury, Medal
American Revolution Bicentennial Administration Medal
U.S. Customs Service Seal Medal

WMATA

Bus Stop Shelter Site Plans and Locations

LEGISLATIVE REVIEW

H.R. 343 (erection of 101st Airborne Division Memorial)

PUBLICATIONS

MASSACHUSETTS AVENUE ARCHITECTURE, VOLUME II (to be released soon)

INTRODUCTION OF ASSOCIATES

Senator STEVENS. If you have different supportive people with you, please introduce those. Your full statement will be included in the record and we would like just to have the highlights, if we may.

Mr. BROWN. I would like to introduce to you the Secretary of the Fine Arts Commission, Mr. Charles H. Atherton, and his assistant, Mr. Donald B. Myer. Mr. Frank Suman is here from the Interior Department, and he helps with the Fine Arts Commission budgeting questions.

SUMMARY STATEMENT

We have had a very busy year, Mr. Chairman, because there are many planning issues happening in the Capital of great importance to this Capital City.

One of the events of which we are most proud is the evolution of the design of Constitution Gardens which you see now in the construction along Constitution Avenue. Through the very active attention of the Fine Arts Commission, we believe the design was greatly changed, greatly simplified and we will make that area one of the great entities of the Capital when it is completed. It will be a romantic garden and not overproduced and cluttered. It will be a marvelous thing for the city.

The ongoing areas which attract our attention are the completion of the mall masterplan which is of vital importance to this Federal City, the development of Pennsylvania Avenue on whose board the chairman of the Fine Arts Commission sits ex officio, and the plan of the National Zoological Park is being implemented—there are many issues there. Preserving the ecology of Rock Creek Park is still taking care of the intense development of that area, which we all look for, there is much activity in downtown renewal, and, of course, the Georgetown waterfront is also under current study, and that is an area of immense concern to this city.

PRINTING COSTS

Senator STEVENS. You have mentioned in your prepared statement a $13,000 increase for printing. We reduced that item last year, as I recall. Can you tell the subcommittee what you need the increase for this year?

Mr. BROWN. Mr. Chairman, the Fine Arts Commission continues to produce a series of publications which have an exasperating way of going out of print. They are very popular. They are in demand around the country by libraries and citizens who write in.

The Massachusetts Avenue architecture study and the study on Washington bridges, and the Georgetown waterfront have been going very fast. We expect there will be some reprinting.

We also are preparing a study of the architecture on 16th Street, the great northern access of the Federal city starting with the White House. This is in a series in which we have done the Massachusetts Avenue study, the Massachusetts Avenue study being the most recent. This will require funding as will preparation of the Bicentennial pamphlet that has, or we think will have, a great market in the

Bicentennial year, introducing people to the importance of design of the Federal City.

Senator STEVENS. Mr. Brown, I asked this question I think last year, too. We don't have any argument with these things like the Massachusetts Avenue architecture study, but do they pay for themselves? With this tremendous demand for them, what is causing the situation? Are they underpriced? What is causing the problem when these things are in such great demand?

Mr. BROWN. This is our hope. From the point of view of the Government in general, they do and will, and the proceeds go in the Federal Treasury. But in order to get these published, we are billed by the Government Printing Office and we have to pay the Government Printing Office the cost.

The Massachusetts Avenue architecture study was $8,090. The bridges was $5,700. These are out-of-pocket expenses.

Senator STEVENS. Give us the details, if you will, of what your printing costs were up to the last year and what you anticipate them to be, and tell us what you believe the receipts will be to the Treasury for your printing activities in the last year, plus the cost of producing them, too. I assume we are asking for a total cost of production and distribution of them as opposed to the receipts that come into the Federal Treasury. Maybe we misunderstood that. We hope that is not the case.

[The information follows:]

COMMISSION OF FINE ARTS PUBLICATIONS (SALES AND RECEIPTS AT GPO AS OF MAR. 17, 1975)

	Date of publication	copies sold	price	Receipts
Washington Architecture, 1791–1861	1971	[1] 3,500	$3.50	$12,250.00
Massachusetts Avenue Architecture, vol. I	1973	718	5.20	3,733.60
Bridges and the City of Washington	1974	350	2.45	857.50
Georgetown Historic Waterfront	1968	[1] 5,000	.70	3,500.00
Georgetown Historic Waterfront (reprint)	1974	2,274	2.25	5,116.50
Total				25,457.60

[1] Sold out.

COMMISSION OF FINE ARTS PUBLICATIONS, PUBLISHING COSTS TO CFA

Title	Date of publication	Cost to CFA [1]
Washington architecture, 1791–1861	1971	$4,358
Massachusetts Avenue Architecture, vol. I	1973	8,090
Bridges and the City of Washington	1974	5,700
Georgetown Historic Waterfront (reprint)	1974	428
Total		18,576

[1] Figures based on GPO estimates to CFA.

SALARIES AND TRAVEL

Senator STEVENS. Now, your largest increase is for salaries, as I understand it. Is that correct?

Mr. BROWN. I am not sure that is true.

Senator STEVENS. Salaries, printing, and staff support.

Mr. BROWN. You put your finger on the largest one, which was the printing.

Senator STEVENS. Is that included in the $20,500, the printing?

Mr. BROWN. Overall, that is.

Senator STEVENS. What is the $1,000 increase in travel?

Mr. BROWN. This is a contingency, Mr. Chairman, in that our Commission is up for large scale reappointment in the coming year. As a national commission the members are appointed from around the country and we cannot predict what the travel burden on us will be until we know where these people have to come from. This does not include any travel for the staff. This is purely convening the Commission.

Senator STEVENS. Will you detail for the record how much of the travel request is for staff and how much is for Commission members? I understand it totals $11,000. Will you provide that for the record?

Mr. BROWN. Yes.

[The information follows:]

BREAKDOWN OF TRAVEL EXPENSES—MEMBERS AND STAFF

Of its requested appropriation for travel expenses, the Commission of Fine Arts expects, based on past figures and projected costs, that no more than 5% of the requested figure will be spent for staff travel, most of which is done by bus and taxi within the city of Washington, D.C. The remaining sum is for reimbursement of the members for their travel expenses to and from Commission meetings.

Senator STEVENS. Now what is the other $10,000 request for other services? Is that for contracts? Contractual services?

Mr. BROWN. They include a variety of services having to do with the ongoing course of our meeting. Special typing, the stenotyping, the messenger service and so forth. Costs, for example, of the stenotyping are up 12 percent this year. This is the justification for that.

Senator STEVENS. I am told the transition justification states $45,000 is approximately 25 percent of your fiscal year 1976 request. Actually it is somewhat lower than that. Why is this?

Mr. BROWN. It is just a little less than 25, but that is the statement; yes.

Senator STEVENS. What is that for?

Mr. BROWN. This is just to get us through. I think it was prorated by the Interior Department budget people. A way of prorating our budget.

Senator STEVENS. The transition period, as I am told by the staff, is the 3-month period, but it is less than one-fourth of your annual request. Why?

Mr. BROWN. The Fine Arts Commission sometimes does not have enough business to meet each month of the summer, and I would imagine. if we could skip a meeting, we could get away with less money.

Senator STEVENS. Again, we thank you very much, and appreciate your efforts. Of course, the Chinese exhibition was a great one, I am sure, for the country.

I am happy to notice you have my good friend, Robert Amory, with you, Mr. Brown.

INDIAN CLAIMS COMMISSION

STATEMENT OF JEROME K. KUYKENDALL, CHAIRMAN, INDIAN CLAIMS COMMISSION

ACCOMPANIED BY:
JOHN T. VANCE, COMMISSIONER
RICHARD W. YARBOROUGH, COMMISSIONER
MARGARET H. PIERCE, COMMISSIONER
BRANTLEY BLUE, COMMISSIONER
HARRY E. WEBB, JR., CHIEF COUNSEL
DAVID H. BIGELOW, EXECUTIVE DIRECTOR

PREPARED STATEMENT

Senator STEVENS. Next is the Indian Claims Commission, which is requesting $1,420,000 for administrative and operating expenses in fiscal 1976. That is an increase of $96,000 over appropriations to date. The justification has been included in the record [pt. 2, pp. 1659–1662].

Mr. Kuykendall, please introduce your associates and go ahead with your summary statement. Your full prepared statement will be printed in the record.

[The statement follows:]

The Commission is requesting an appropriation of $1,420,000 for Fiscal Year 1976. Our operating plan for the current fiscal year totals $1,324,000. The $96,000 increase will permit continuation of operations at the Fiscal Year 1975 level. We expect personnel costs to increase by $66,000, rent by $18,000, and all other costs by $12,000. Costs that may result from an October 1975 general salary increase, or from any other such reason, are not included in our Fiscal Year 1976 Budget.

NATURE AND DURATION OF THE COMMISSION

As you know, the Indian Claims Commission is a temporary independent agency engaged in the adjudication of Indian claims filed under the Indian Claims Commission Act, as amended. Under existing law the Commission's existence will terminate on April 10, 1977, and any work not finished by that date will automatically be transferred to the Court of Claims.

STATUS OF WORK

The summary that accompanies this statement shows the status of all Indian claims cases on March 12, 1975. Additional information on the work of the Commission may be found in our report of December 31, 1974, and in our 1974 Annual Report. Copies of both reports have been furnished to the Committee and additional copies are available if needed.

AUTHORIZATION

The amendment to the Indian Claims Commission Act of March 30, 1972, which extended the life of the Commission to April 10, 1977, provides that appropriations for fiscal years subsequent to Fiscal Year 1973 shall be made only to the extent thereafter authorized by Congress. On Thursday, April 10, we will appear before the Subcommittee on Indian Affairs of the House Committee on Interior and Insular Affairs to testify on H. R. 3979, a bill "To authorize appropriations for the Indian Claims Commission for Fiscal Year 1976." At that time we will suggest that an authorization of $1,550,000 be enacted. Such an amount would obviate the need for an increased authorization should there be a supplemental appropriation for Fiscal Year 1976. Our hearing before the Senate Subcommittee on Indian Affairs has not yet been scheduled.

SUMMARY

We greatly appreciate this Subcommittee's continued interest in our work. Please be assured that we will continue to exert every possible effort toward disposing of the remaining claims as rapidly as possible.

SUMMARY OF INDIAN CLAIMS CASES ON MARCH 12, 1975

CASES FILED	Number of Dockets
Received through August 13, 1951	370
Causes severed from original claims and redocketed as separate claims	243
Total docketed	613

CLAIMS DISPOSED OF	
By awards certified to the Treasury Department totaling $533,696,287.83	250
By orders of dismissal	187
Total disposed of	437
CLAIMS PENDING	176

SUMMARY OF THE STATUS OF PENDING INDIAN CLAIMS

Pending before the Court of Claims on appeal or involved in appeals from Commission decisions:	
Cases with final awards totaling $27,105,556.38 (Dockets 18-R, 73 and 151, 83, 158, 197, 206, 208, 231, and 363 on one of four causes)	9
Cases with interlocutory decisions entered (Dockets 13-E, 13-F, 15-E, 15-I, 15-N, 15-O, 15-P, 15-Q, 15-R, 22-G, 27, 27-B, 27-E, 29-C, 29-D, 29-E, 29-G, 29-L, 29-M, 29-N, 29-O, 29-P, 59, 64, 64-A, 74-B, 120, 128, 130, 133-A, 133-B, 133-C, 139, 141, 182, 182-A, 184, 196, 202, 229, 252, 302, 306, 308, 309, 310, 326-A, 326-C, 326-J, 335, 338, 354, 355, 356, and 357-A)	55
Cases with orders dismissing the plaintiffs' claims (Dockets 13-G, 18-F, 18-J, 18-K, 18-L, 18-M, 40-F, 73-B, 89, 140, 209, 280, 341-C, and 341-D)	14
Total before the Court of Claims	78
Cases pending under the Commission's jurisdiction:	
Other dockets in various stages of litigation	98

INTRODUCTION OF ASSOCIATES

Senator STEVENS. Please introduce your associates so the reporter can have them accurately. You can proceed any way you desire.

Mr. KUYKENDALL. On my right is Commissioner Vance of Montana, on my left is Commissioner Yarborough of Texas, second on my right is Mrs. Pierce of the District of Columbia, and on my extreme right is Commissioner Blue of Tennessee.

I assume you are saying there is no need to read the statement.

Senator STEVENS. The statement will be presented in full in the record. If you have any comments to make beyond this statement——

Mr. KUYKENDALL. I have no statement in addition to the written statement.

AUTHORIZING LEGISLATION

Senator STEVENS. Have either the House or Senate Interior Committees given any indication of when you might expect passage of the legislation required for this?

Mr. KUYKENDALL. We have hearings set in both the House and the Senate.

Senator STEVENS. You are scheduled under the current legislation to terminate your business in April 1977. Will it be possible to complete matters by that time?

Mr. KUYKENDALL. We cannot give a positive answer of yes. But that is our goal. We are prepared to go into that more extensively with the Interior Subcommittees that will consider our authorization. We are now into a new phase of our work, the accounting cases. It does appear that many of them may take a long time to adjudicate. We don't have enough experience with these cases at this time to say we cannot complete our work by April 1977 or positively that we can.

We are headed toward our goal we set 3 years ago of completing the work by 1977.

STATUS OF CLAIMS

Senator STEVENS. You have 98 claims pending on your docket now, aside from those on appeal. Do you anticipate any additional claims?

Mr. KUYKENDALL. Hardly any. We don't get any new filings. But our cases are very complex, and occasionally we have to sever from one big case a portion of it which, in itself, amounts to a separate case. This necessarily increases our total number of dockets by one.

PERSONNEL AND TRAVEL

Senator STEVENS. What is the $57,000 increase for personnel compensation? I am told it is to cover general pay increases and to "provide for essential individual increases."

Mr. KUYKENDALL. That is the answer. It is merely to take care of personnel costs arising from passage of time, in-grade increases and so forth.

Senator STEVENS. I am told your original travel estimate for fiscal 1974 was more than halved under actual expenditures reported in your 1976 justification.

How did you achieve that saving? You didn't spend half of the amount of the money requested.

Mr. KUYKENDALL. We did not travel as much as we thought we might.

Senator STEVENS. You now estimate $14,000 for travel in the current fiscal year. What has been your experience that causes you to make that estimate?

Mr. KUYKENDALL. That will be adequate, I think.

Senator STEVENS. Do you know how much has been obligated to date?

Mr. BIGELOW. I don't have that figure with me, but we will provide it for the record.

[The information follows:]

TRAVEL COSTS TO DATE

The Indian Claims Commission has obligated travel funds totaling $4,723 during fiscal year 1975 to date.

INCREASED SPACE RENTAL CHARGE

Mr. KUYKENDALL. Mr. Bigelow is behind me, I failed to introduce him. He is our Executive Director.

Senator STEVENS. One of the largest increases again this year is for space rental. How does the amount being charged by GSA compare to the going commercial rate for space in your general area, do you know?

Mr. KUYKENDALL. I don't know. I would trust that GSA is able to negotiate as well as private tenants; I really can't give you any information on that.

Senator STEVENS. Well, let us have the answer for the record, then.

[The information follows:]

COMPARABLE RENTAL

It is our understanding that GSA is paying $68,841, or $5.32 per square foot, for the space we occupy. The current charge to us is $5.77; and the proposed fiscal year 1976 charge is $7.16. We assune that this significant increase reflects GSA's expectation that the rate charged by the lessor is going to rise substantially.

Senator STEVENS. What space do you occupy?

Mr. KUYKENDALL. We have one floor of the Riddell Building, which is at 1730 K Street NW. Incidentally, the space is just the right size for us.

Senator STEVENS. Is it the Commission's intention to ask for an extension beyond the April 1977 date for its termination?

Mr. KUYKENDALL. That is not our present intention, no.

Senator STEVENS. Thank you very much. I remember your distinguished predecessor, my old friend Arthur Watkins, who served in Congress for so long. I know it has been a long hard trail for the Claims Commission. I appreciate your appearing here with your colleagues.

Do any of the rest of you have any comments about the budget request?

Thank you very much.

PENNSYLVANIA AVENUE DEVELOPMENT CORPORATION

STATEMENT OF ELWOOD R. QUESADA, CHAIRMAN

ACCOMPANIED BY:

JOHN M. WOODBRIDGE, EXECUTIVE DIRECTOR
PETER T. MESZOLY, GENERAL COUNSEL
F. DAVID HARRIS, ASSISTANT DIRECTOR, FINANCE

BUDGET REQUEST

Senator STEVENS. We will go next to the budget estimates of the Pennsylvania Avenue Development Corporation. They total $1,256,000. That is up nearly $500,000 over 1975 appropriations to date. The justification has been included in the record previously [pt. 2, pp. 1965–1978].

General Quesada, please introduce those with you and go ahead with your opening remarks.

PREPARED STATEMENT

General QUESADA. With your consent, we will leave our prepared statement without reading it.

Senator STEVENS. It will be printed in full in the record.

[The statement follows:]

Mr. Chairman and Members of the Subcommittee: I am Elwood R. Quesada, Chairman of the Pennsylvania Avenue Development Corporation. Accompanying me are our Executive Director, John Woodbridge, our General Counsel, Peter Meszoly and our Assistant Director for Finance, David Harris.

Since I appeared before this Subcommittee almost a year ago, the Corporation has made further substantial progress. After the Board of Directors approved the plan for Pennsylvania Avenue on March 18, 1974, the Corporation submitted it to the Secretary of Interior and to the Mayor of the District of Columbia for the 90 day review period called for in our act. During the review period several open meetings and workshops were held to explain the plan to the public, and the District Government held a day of formal hearings. In the light of the formal recommendations and informal comments generated by this process, the Corporation revised its proposals and prepared a final plan, as required by the Pennsylvania Avenue Development Corporation Act. This plan was formally submitted to the Congress, together with technical appendices, on November 19, 1974.

At this point I would like to stress the wisdom of Congress in conceiving the review and approval process for the plan spelled out in the Corporation's Act. I believe that the process developed the full participation of all interested persons, groups, and agencies, and dictated the preparation of a superior comprehensive plan for the Avenue, which has broad support for implementation.

The plan, formally transmitted to the President of the Senate and the Speaker of the House of Representatives on November 19, 1974, has been referred to the Interior Committees. In accordance with our act the Corporation may proceed with implementation, if during a period of 60 legislative days after transmittal neither House votes a resolution in opposition to the plan. After consultation with the Clerk of the House of Representatives and the Secretary of the Senate, the Corporation maintained a careful count of the legislative review period, which presently shows the expiration of nearly 50 of the 60 legislative days in both Houses.

I might add, that Chairman Taylor of the Subcommittee on National Parks and Recreation has scheduled an oversight hearing on the plan for March 21st. We are hopeful that in the next few weeks the plan will stand as acceptable to Congress, barring the passage of a resolution to the contrary in the ten, or so, remaining legislative days.

The $1,256,000 requested to be appropriated for fiscal year 1976 and $314,000 for the fiscal year transition period are to cover the costs of salaries and expenses of the Corporation. For fiscal year 1976 this represents an increase of $432,000 over amounts appropriated for fiscal year 1975. The additional funds are needed for ten new permanent staff positions and more extensive contract services. The expansion in staff and services are to shift the Corporation from a planning organization to one capable of carrying out the development of a major downtown region in the center of the nation's capital.

Appropriations necessary to fund the capital projects in the plan are not included in this appropriations request because the plan has not yet passed through the process of Congressional review. Subsequent to Congress having approved the plan, the Corporation will seek consideration of proposed appropriations for project implementation in a separate request.

The present authorization ceiling in the Corporation's act (Public Law 92–578, as amended 93–427), of $1,750,000, is inadequate to allow the appropriations requested herein. Amending proposed draft legislation has been prepared and submitted to the Office of Management and Budget and will be submitted to the Congress in the very near future. After Congress completes its review of the Pennsylvania Avenue Plan, and if the plan is approved, additional draft legislation to authorize capital funding enabling the Corporation to implement the plan will be proposed.

I believe that the Corporation's plan for Pennsylvania Avenue, now before the Congress, is very much worthy of receiving Congressional approval and the funds necessary to carry it out. It will, if implemented, significantly enhance Washington, D.C. from an economic, aesthetic and functional vantage. It will also do justice to the symbolic, ceremonial, and historic roles of Pennsylvania Avenue in the nation's capital.

Let me reiterate, however, the view which I expressed before this Subcommittee almost a year ago. The area has been under a cloud of uncertainty for many years. If the Congress in its wisdom does not intend to move foreward with providing resources required to implement the plan, I strongly recommend that public planning for the area be ended and that private entrepreneurs be left unhampered to resolve the future of Pennsylvania Avenue and its environs.

CHANGE OF ROLES

General QUESADA. The Pennsylvania Avenue Development Corporation has submitted its plan to Congress as required by law. There are about 10 legislative days remaining during which Congress has the statutory right to consider the plan and reject it.

We are now changing from the role of planners to doers. The request before you is contingent on approval of the plan but does not anticipate at this time any appropriation to implement the plan.

The budget we are requesting you to consider, and which you are considering, is purely for the administrative costs of running the Corporation during the forthcoming fiscal year but does not anticipate implementation. That is yet to come.

STATUS OF AUTHORIZATION

Senator STEVENS. Is any of this request unauthorized? Does any of this request depend upon authorizing legislation?

General QUESADA. It does not, sir. The authorization exists.

Mr. MESZOLY. The authorization language currently in our act is insufficient to cover this request, and proposed legislation has been submitted to the Office of Management and Budget to make the proper change.

Senator STEVENS. This goes beyond the current authorization as far as the administration portion concerned, it would depend upon passage of this legislation that has not been presented yet; is that correct?

Mr. MESZOLY. That is correct, sir.

Senator STEVENS. For the record, would you have someone give us a statement for the record as to how much of this request could be justified under existing authorization and how much of it would have to wait for enactment of legislation or the OMB? We don't need to go into that now; just provide it for the record.

General QUESADA. Very well.

[The information follows:]

Section 17 of the Pennsylvania Avenue Development Corporation Act of 1972, as amended, Public Law 93-427, provides authorization for the appropriation of $1,750,000 for the operating and administrative expenses of the Corporation and for the preparation of the development plan. A total of $1,674,000 has been appropriated through the current fiscal year, leaving a balance of $76,000 authorized, but not appropriated.

PROSPECTS FOR THE PLAN

Senator STEVENS. Do you think the Pennsylvania Avenue Development Corporation will move forward with this in the next fiscal year?

General QUESADA. I anticipate there will be a request for funds to implement the plan, assuming, of course, Congress approves the plan in this fiscal year. I would imagine the sum required would be of a relatively modest nature to get the first part of the plan implemented. But I would anticipate within fiscal year 1976 that there might very well be a request for funds to implement the plan to be included in a supplemental bill.

Senator STEVENS. What is the deadline as far as congressional action is concerned on the plan?

General QUESADA. We have about 10 more legislative days running in both the House and the Senate.

Senator STEVENS. Do you anticipate any difficulty in getting the approval of Congress?

General QUESADA. No, sir. There is a hearing set on the plan on the 21st of this month. We don't anticipate any difficulties. The community appears to be very much behind it. The administration is hoping to accomplish a rehabilitation of the north side of Pennsylvania Avenue, similar to what L'Enfant envisioned. For monetary reasons it might come about slower than anticipated, but I expect no great difficulty in terms of support either in Congress or elsewhere.

Senator STEVENS. Have you discussed it with OMB?

General QUESADA. In great length.

Senator STEVENS. Do you anticipate any great difficulty in at least getting the funds to start the project?

General QUESADA. No, sir. I do not.

ADMINISTRATIVE COSTS

Senator STEVENS. You want 10 new positions and $440,000 for contracted services. This would be for the administrative side, initiating the implementation of the plan.

General QUESADA. We have 10 new positions to accommodate the transition from planning to doing. We are also asking for this $440,000 for contractual services, and I would like to have that more thoroughly explained to you.

Mr. MESZOLY. The $440,000 includes contractual services for planning and economic studies and also an appreciable amount for GSA's, administrative support services, including some specialized services for accounting and land acquisitions. The sum also includes the cost of a mandatory GAO audit, for which we must reimburse the GAO under the Government Corporation Control Act. But about two-thirds of the $440,000 would be for private external contracts for data the Corporation needs.

REIMBURSABLE SERVICES

Senator STEVENS. Are those amounts for reimbursement to other Federal agencies set forth in your justification? Would you break those down for us? One is GSA and the other is GAO?

Mr. MESZOLY. That is correct.

[The information follows:]

The appropriations request before the Committee provides for an estimated $75,000 for reimbursement to the General Services Administration for services to be provided in three broad areas. They are: $35,000 for general administrative support, such as GSA furnishes to many small agencies and commissions; $20,000 for specialized budget and accounting assistance for maintenance of capital development funds; and, $20,000 for specialized services related to property acquisition and management for development purposes.

The request also allows for reimbursement of an estimated $15,000 to the General Accounting Office for their next annual audit, required by law.

FINE ARTS COMMISSION INVOLVED

Senator STEVENS. Will you utilize any other Government agencies?

Mr. MESZOLY. We don't anticipate doing so at the moment.

Senator STEVENS. Are you involved at all with the Fine Arts Commission on your plan?

General QUESADA. Very much so, with respect to the Fine Arts Commission. We are going to use the Commission for our architectural review, as required by law and as required by Executive order. I will just mention casually, in our plan there is a mistake which indicated we were going to set up our own architectural review panel which we are not; we are going to use the Fine Arts Commission, which is set up for this specific purpose to do all architectural review for the Corporation. More importantly, we don't want multiple architectural reviews.

I know of nothing more discouraging to entrepreneurs who come in and invest their own money to develop the land under the plan than to have to go through a gauntlet of architectural reviewers.

TRAVEL AND EQUIPMENT

Senator STEVENS. What is the $29,000 for travel money that is in this budget?

Mr. WOODBRIDGE. That is primarily for the travel of board members, nonresident members of the board.

Senator STEVENS. Is that an increase over last year?

Mr. WOODBRIDGE. Yes, a $5,000 increase. We also incur a modest amount of staff travel, but about one-half of it is for board members.

Senator STEVENS. What about the equipment item of $25,000? At this phase of your development what is that for?

Mr. WOODBRIDGE. As you can see in 1974, we had an equipment expenditure of about $21,000 which was primarily for setting up the Corporation's offices and furnishing them. The $25,000 for 1976 is the estimate of what it will take to have additional office space.

Senator STEVENS. That is geared into the 10 new positions?

Mr. WOODBRIDGE. Yes.

Senator STEVENS. How many consultants have you retained to date and how many do you anticipate you will be needing for 1976, and General, I think you should put that in the record.

[The information follows:]

CONSULTANTS TO THE CORPORATION

In addition to the contracts listed in the budget justification, the Corporation has retained three individuals for fiscal year 1975 as experts or consultants on a personal service basis for intermittent employment not to exceed 130 workdays. One is an architect to advise the Corporation on landscape design, and two others are architects to work on design criteria, development controls, and architect-engineer utilization in development planning.

Consultants' expenses projected for fiscal year 1976, in addition to proposed contracts listed in the budget justification, are expected to total $62,700. This amount would allow the Corporation to retain two senior architect consultants for intermittent service of 130 days or less; and two consultant architects to work on the housing design for a temporary period not to exceed 1 year.

The Corporation also recently decided to enter into the following additional fiscal year 1975 contracts, not listed in the budget justification. They are: a contract for approximately $50,000 for detailed landscape design; and, a contract for approximately $85,000 for economic studies on specific retail uses to be brought into the development area and on business relocation needs and remedies.

BORROWING AUTHORITY NOT UTILIZED

Senator STEVENS. There are some other things that can be better answered for the record that we can come to here.

You have considerable borrowing authority available to you I am informed. Have you requested any appropriations approval to utilize that authority?

General QUESADA. We have not.

Senator STEVENS. Have you exercised it?

General QUESADA. We have not. We are not authorized to exercise it.

Senator STEVENS. How long do you contemplate it would take to complete this project if you could proceed on schedule?

General QUESADA. Sir, I think it would be wishful thinking if anyone said it could be done in less than 10 years. I would say it would be a fair and conservative estimate to say between 10 and 15 years. It is a very extensive thing to do, involving a chess game in which you have to move this to do that and move things from one place to another. It gets a little bit complicated in implementation. I would not want to deceive you by saying it might be less.

Senator STEVENS. Would you provide for the record how much would be invested on the private side and how much would be Federal money, and what that money would be used for?

General QUESADA. We will give it to you in greatest detail. It is already done, sir.

[The information follows:]

ESTIMATE OF PRIVATE INVESTMENT IN PROJECT AREA

Present estimates call for private investment to finance the construction of 4,239,000 square feet of commercial building space, 937,000 square feet of retail space, 1,390 hotel rooms, and 1500 dwelling units. In 1975 dollars, the Corporation estimates that this will call for private investment of over $300 million. It is expected that about 24,000 permanent employees will be situated in these buildings in addition to about 9,000 man years of construction labor that will be generated.

FEDERAL INVESTMENT IN PROJECT AREA

Federal investment in implementation of the proposed plan involves several basic elements, as follows: (1) a one-time appropriation of $130 million at the beginning of the project, to remain available until expended or returned to the Treasury; (2) an increase from $50 million in the Corporation's present authorization to borrow to $200 million; (3) modification of the authorization to permit either sale of Corporation "agency" notes (with a pledge of the full faith and credit of the United States) or direct borrowing from the U.S. Treasury; (4) appropriation of the full $200 million loan authority at the start of the project; (5) authority to sell long-term Corporation obligations at the conclusion of plan implementation backed by a Federal guarantee; and, (6) an annual salaries and expenses appropriation for the operating and administrative costs of the Corporation.

The $130 million one-time appropriation would be used to pay for all public sector activities whose costs are not expected to be recovered through the proceeds from land sales or leases. Such public sector activities include public works, relocation assistance, site improvements, historic preservation and renovation, and changes in land use, where necessary (i.e., the residential site). It is this amount which represents the true Federal investment and the only portion that will not be repaid in full, with interest.

The $130 million in funds appropriated at the beginning of the implementation phase would remain available until expended. Although the entire amount is recommended to be made available at the beginning, it will be obligated and disbursed over the ten to twelve year period for implementation of the plan.

The interim working capital fund of $200 million in borrowing authority will finance land acquisition, the costs of which is generally to be recovered from the income derived from sale or lease of land. The method of financing would be the sale of Corporation ('agency') notes, with a Federal guarantee, or direct borrowing from the Treasury. Appropriation of the entire $200 million in borrowing authority is recommended to be made at the beginning of the project, to remain available for fifteen years.

Up to $50 million of the funds authorized under the borrowing provisions would be used to establish a construction revolving fund to finance all mortgageable expenses involved in building costs (construction, taxes, interest, excavation, insurance, etc.) which costs would be recovered at mortgage closings, including the interest expenses. Use of a construction revolving fund would enable the Corporation to "turn key" important parcels at a considerable savings in time and construction interest charges or, through higher lease returns.

The non-financeable public sector activities proposed under the development plan would be paid for out of the appropriated funds requested for that purpose. Activities whose costs can be fully recovered from the revenue they will generate will be financed from the loan fund--the interim working capital fund and its construction revolving fund portion. In the case where greater land costs are accrued on any given site than are subsequently recovered from its sale or lease for development, at the point where the value of the site is actually determined by sale or lease, any difference would be drawn from the appropriated funds available and the "books closed" on that site.

At the conclusion of development, when all projects are complete or nearing completion and all land has been leased, the Corporation's plan calls for selling long-term (40 year) guaranteed bonds, repayment of which is secured in the first instance by income from leases. The Corporation estimates that about $90 million can be raised by the sale of bonds, all of which would be applied to repayment of interim financing debts incurred in the course of implementing the plan.

As the ground leases would be for a much longer period, probably 99 years, than the term (40 years) required to repay those bonds, the Treasury would continue to receive the revenue from the projects after bond repayment. This constitutes another cash asset to the Federal Government, equivalent to about $5 million when discounted to present value. Therefore, over the life of the leases, the revenues generated by the projects will largely repay acquisition costs, over the long term reward.

The ground leases of the Corporation would provide mortgagees of buildings with the right to cure any default by a developer on the payment of ground rent to the Corporation. In the event of failure to cure any default by the mortgagee, PADC would assume title to the development. Thus, PADC's long-term borrowing would be secured first by the ground rent, second by the assets of the mortgagees, third by the buildings themselves and finally by a Federal guarantee.

Since the capital value of the leases is currently estimated to be on the order of $90 million, compared with total public development costs of some $222 million, $130 million will be sought in an appropriation to cover those public sector aspects of the plan not normally financed by private developers. This Federal investment is primarily for public space and improvements which are necessary to encourage private development in the area, and which will create a faster pace of development, and an environment of superior design, amenities, and architecture, worthy of the Nation's Capital.

There are two significant uncertainties in the plan, concerning whether certain specific activities will or will not occur.

The first of these involves the Willard Hotel. It is the hope of the Corporation that private enterprise can finance restoration of the building unaided. However, this may not be possible. Therefore, the Corporation has included in its budget $4.0 million to defray non-recoverable costs involved in the preservation of this landmark building.

The second uncertainty is with regard to the proposal to build a substantial Archives facility in the Pennsylvania Avenue area to house important historical documents accumulated during our rich history. The Corporation's recommended proposal is to develop a 1,000,000 square foot facility underneath the residential area and across the street from the Archives Building, connnected by a tunnel to the main building.

In addition, the proposal might include a 125,000 square foot building on the surface to house resident and transient scholars utilizing the records and a major display facility which would be a powerful tourist attraction on the Avenue. Present estimates indicate that costs for the facility would be somewhat over $132 million in 1978 dollars. If the Corporation and the General Services Administration agree, the two agencies will request from the Congress authorization and additional borrowing authority for financing construction. The Corporation expects that GSA will enter into a contract to fully amortize all costs in developing the project (including interest) before any actual construction. On this basis, no additional outright appropriations would be necessary for the Corporation.

[NOTE: A detailed statement on estimated expenditures and receipts for the full 14-year development program was also submitted and adopted by reference.]

AUTHORIZING LEGISLATION CONTEMPLATED

Senator STEVENS. Thank you very much. I am pleased to see your colleagues also. Off the record.

[Discussion off the record.]

Senator STEVENS. Back on the record.

Could you have your staff inform us if there is any authorizing legislation to be contemplated by your Corporation during the period of redevelopment of the Pennsylvania Avenue area. Is this the only legislation presented to OMB or do you have other legislation?

General QUESADA. Let us really look at that hard and give you an accurate answer.

[The information follows:]

ADDITIONAL LEGISLATIVE AMENDMENTS

The Corporation recently submitted proposed draft legislation to the Office of Management and Budget to amend the authorization provision of the Corporation's enabling act to accommodate appropriation of fiscal year 1976 operating expenses, and similar appropriations for the next several fiscal periods.

In addition, the Corporation plans to submit further proposed draft legislation upon congressional approval of the development plan. This second legislative package would authorize direct appropriation of the capital funds necessary to implement public improvement projects called for by the plan; increase the total borrowing authority of the Corporation; and, allow for either private or Department of Treasury borrowing. The authorization of direct appropriations for development of public improvements would be drafted to include provisions for special business relocation assistance and historic preservation of architecturally and historically significant structures, such as the Willard Hotel.

SUBCOMMITTEE RECESS

Senator STEVENS. I haven't heard of any and I wondered if this subsidy you just mentioned off the record——

General QUESADA. We will also advise you of any authorizing legislation that might be contemplated.

Senator STEVENS. Thank you very much, sir.

We will now recess until Thusrday, March 13 at 10 a.m.

[Whereupon, at 10:57 a.m., Wednesday, March 12, the subcommittee was recessed, to reconvene at 10 a.m., Thursday, March 13.]

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES—APPROPRIATIONS FOR FISCAL YEAR 1976

THURSDAY, MARCH 13, 1975

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

The subcommittee met at 10 a.m., in room 1114, Everett McKinley Dirksen Office Building, Hon. Ted Stevens presiding.

Present: Senators Stevens and Hatfield.

NATIONAL CAPITAL PLANNING COMMISSION

STATEMENT OF CHARLES H. CONRAD, EXECUTIVE DIRECTOR

ACCOMPANIED BY:
DONALD F. BOZARTH, DIRECTOR OF CURRENT PLANNING AND PROGRAMING
GEORGE H. F. OBERLANDER, DIRECTOR, LONG RANGE PLANNING AND REGIONAL AFFAIRS
DANIEL H. SHEAR, GENERAL COUNSEL AND SECRETARY
MALCOLM L. TREVOR, ASSISTANT EXECUTIVE DIRECTOR FOR ADMINISTRATION

BUDGET REQUEST

Senator STEVENS. Good morning, the subcommittee will come to order We have several budget requests to cover today.

We will first take up the budget estimates of the National Capital Planning Commission. They total $1,895,000, an increase of $118,000 over fiscal 1975. The justification has been included in part 2 of the record (pp. 1979–1997).

Mr. Conrad, please introduce those with you at the table and go ahead with your statement.

[The statement follows:]

Mr. Chairman and members of the Committee, I am pleased to present the Commission's appropriations estimates for Fiscal Year 1976 and the Transition Period, July 1, 1976—September 30, 1976. At the present time, the President has not yet designated a Chairman of the Commission to succeed the Chairman whose term and those of the other citizen members was terminated on January 2, 1975, by amendments to the National Capital Planning Act of 1952 contained in the District of Columbia Self Government and Governmental Reorganization Act. Accordingly, I will serve as principal witness on behalf of the Commission and begin by introducing key members of the Commission's staff:

Donald F. Bozarth, Director, Current Planning & Programming;

George H. F. Oberlander, Director, Long Range Planning and Regional Affairs; Daniel H. Shear, General Counsel; Malcolm L. Trevor, Assistant Executive Director for Administration.

The President's budget request for the Commission for FY 1976 is $1,895,000. In addition, we are asking for $424,000 to carry us through the Transition Period.

You will note in our budget justification that we are not seeking additional positions nor are we proposing to begin any new programs during this period. For FY 1976 and the Transition Period, we are asking only for the additional funds necessary to implement the cost of the last general pay increase which was effective on October 1, 1974[1] plus increased rent costs to be charged by the General Services Administration for our existing office space, and finally, for funds we are obligated to disburse under Section 203 of the Home Rule Act to the five appointed members of the Commission when they attend Committee and Commission meetings. This increase reflects costs which were not previously incurred, since members in the past served without compensation.

These three items, therefore, represent costs imposed from the outside over which we have no control. The remaining two items in our budget for which we ask an increase are $3,000 above Fiscal Year 1975 funding levels to further expand our "Executive Development" program and an additional $8,000 to offset the increased costs passed along to us by other government agencies for payroll services—General Services Administration; mailing costs—United States Postal Service; health unit facilities—United States Treasury Department; and general increases for such costs as machine rental and utilities.

We have deliberately refrained from initiating new programs during both the FY 1976 and the Transition Period in consideration of both the Congress' and the Administration's attempt to hold down Government spending. We do have important programs which we would like to initiate but we feel they should be delayed until the economic situation improves.

Your favorable consideration of our Fiscal Year 1976 and Transition Period budget request will enable the Commission to continue to accomplish its statutory mission.

STATUS OF PERTINENT AUTHORIZATION

The authorization for our present account (31-25-0103-0-1-451), is contained in the National Capital Planning Act of 1952, as amended (40 U.S.C. 71-71i; D.C. Code secs. 1-1001 to 1-1010). None of the estimates herein presented will require additional authorization, nor are there any limitations or specific disallowances in the committee reports for the preceding fiscal year.

INTRODUCTION OF ASSOCIATES

Mr. CONRAD. I will have to ask the committee's indulgence. I have not been well, and it is difficult for me to talk. With me today are Mr. Shear, our general counsel; Mr. Trevor, the assistant director for administration; Mr. Bozarth, the planning director; and Mr. Oberlander, who directs our long-range planning and regional affairs. I will rely on these gentlemen to do the most of the talking today, if I may.

CHANGES EFFECTED

Senator STEVENS. Thank you, Mr. Conrad. You mentioned changes in the National Capital Planning Commission as a result of the District of Columbia Self-Government Act of 1975. How do those changes affect the Commission membership and any operating or jurisdictional areas?

Mr. CONRAD. Mr. Chairman, in view of my health and my voice which is not going to last long, I would like to turn that question over to our General Counsel.

Senator STEVENS. Fine.

[1] We are attempting to absorb the cost of this pay raise for FY 1975 without asking for a supplemental appropriation.

Mr. SHEAR. Mr. Chairman, the Home Rule Act changed the membership of the Commission in the following ways: There are still five appointive members of the Commission. Previously all five were appointed by the President. Presently, two of the five are appointed by the Mayor of the District of Columbia and three by the President.

Of the seven ex officio members, the chairmen of the Senate and House District of Columbia Committees continue to serve as members of the Commission.

The Mayor continues to serve as a member of the Commission. The Chairman of the Council of the District of Columbia was added to the Commission, and the Secretary of the Interior was substituted for the Director of the National Park Service. The Administrator of General Services was substituted for the Commissioner of the Public Building Service, and the Secretary of Defense was substituted for the Chief of Engineers of the U.S. Army. To make room on the Commission for the Chairman of the City Council, the representative of the Federal Highway Administration, Department of Transportation, was dropped.

The theory of the Congress was, I believe, that those agencies having major proprietary and operating responsibilities within the National Capital area, GSA, Department of Defense, and Department of the Interior, ought to be represented on the Commission.

PLANNING FUNCTIONS

Now, with respect to the functions of the Commission resulting from the amendments to the Planning Act contained in the Home Rule Act, the Commission remains the central planning agency for the Federal Government in the National Capital region.

The function of serving as the central planning agency for the District of Columbia government has been transferred by the Home Rule Act to the local government, but there is vested by the Congress in the Planning Commission the responsibility for reviewing local planning decisions in order to insure the protection of the Federal interest. So there is vested in the Planning Commision the statutory responsibility for reviewing, for example, local elements of the comprehensive plan for the National Capital and if the Commission determines that a local element or an amendment to a local element contravenes the Federal interest, then the Commision is authorized to disapprove such an action of the local government. If disapproved, it may not take effect or have any legal consequence.

PER DIEM COSTS FOR CITIZEN MEMBERS OF COMMISSION

Senator STEVENS. You budgeted $40,000 to cover the $100-a-day reimbursement of Commission members. In view of the fact that most of your Commision members are on the Federal payroll or on a public payroll, why do you need $40,000 for a per diem?

Mr. SHEAR. Five of the members are citizen members who are not otherwise on the United States or District of Columbia payrolls, Mr. Chairman.

Senator STEVENS. That would mean that they would be meeting 80 days a year, for $40,000. That is a lot of money for five people. How did you get that estimate of $40,000?

Mr. CONRAD. Mr. Chairman, it is anticipated the members, the five citizen members, would meet with the Commission once a month plus attend committee meetings which precede the Commission meetings. So it would be two or three times a month they would meet.

The Chairman is expected to at least come in and work with the staff two or three times a week. So it is not just a $100-a-day charge once per month. My administrative officer can give you more details as to how that $40,000 was arrived at.

Senator STEVENS. Mr. Trevor, do you have any further comment?

Mr. TREVOR. No, except to say, Mr. Chairman, we expect it is quite possible that the Commission in the coming year might not just have 12 meetings, but might have additional meetings. We have already had an example of a monthly meeting that lasted 1½ days. In addition, as Mr. Conrad states, we will have committee meetings which precede the normal Commission meetings and the citizens would expect to be paid for that as well.

Senator STEVENS. Again, $40,000. I assume that would pay for 400 meetings, or 80 meetings a person. Do you contemplate there will be 80 meetings for each of those 5 non-Government members during the year?

Mr. TREVOR. No; there would not be that many. But the chairman would be expected to come in about 3 days a week, 50 weeks a year, and he would be receiving $100 a day, too. He would be a citizen member. His remuneration is more than the other citizens would be.

Senator STEVENS. Well, give us the breakdown for the record.

[The information follows:]

The breakdown of the $40,000 requested is as follows: Approximately 18 Commission meetings at a cost of $9,000; 36 Committee meetings at a cost of $18,000 and 2 to 3 days work each week by the Chairman equalling approximately $13,000 per year.

Senator STEVENS. Who is the chairman?

Mr. TREVOR. The Chairman has not been designated by the President yet, Mr. Chairman.

Senator STEVENS. Who must the chairman be? Someone out of Government?

Mr. SHEAR. The act does not qualify in any way who the President may designate as the chairman. Historically, the chairman of the Commission has always been a Presidential appointive member and not an ex officio member.

Senator HATFIELD. Will the Senator yield?

Senator STEVENS. Yes; I will be happy to.

COMMISSION MEMBERSHIP AND VACANCIES

Senator HATFIELD. Could the gentlemen tell us who the members of the Commission are and what vacancies exist at the present time?

Mr. SHEAR. There are three vacancies, Senator Hatfield, the three appointive members to be appointed by the President have not yet been appointed.

Senator HATFIELD. How long have those vacancies existed?

Mr. SHEAR. Since the first of the year. The first of the calendar year.

Senator HATFIELD. The vacancies are not just carryover for reappointment to the Commission, these are actual vacancies?

Mr. SHEAR. Yes. These are actual vacancies. The Home Rule Act terminated by statute the memberships of the previous five Presidential appointees and provided for three appointees by the President and two by the Mayor. The Mayor has made his two appointments. We are awaiting the Presidential appointees.

BICENTENNIAL ACTIVITIES

Senator HATFIELD. Do you have any special program or role in the Bicentennial?

Mr. CONRAD. Yes, Mr. Chairman. We started in 1972 in cooperation with the Smithsonian Institute. The total amount of our program for the Bicentennial is $120,000. It is divided into an exhibit which will be displayed at the Smithsonian showing the development of our National Capital since 1791, and will also include a publication of the history of the development of the U.S. Capital.

I might say to you, Mr. Chairman, under the Bicentennial there were other projects of our agencies that were required to come to the Planning Commission for approval and there were 30 such projects, and now almost all of them have been given final approval by the Planning Commission.

PENNSYLVANIA AVENUE DEVELOPMENT

Senator HATFIELD. What role do you play in the restoration of Pennsylvania Avenue, the Corporation that has been appointed to coordinate that project?

Mr. CONRAD. Congress set up a Development Corporation to carry through on the planning and development of Pennsylvania Avenue. In that legislation, it required the approval of the Secretary of the Interior plus the Mayor.

The comments of the Commission were forwarded to the Congress, and our function is to review in accordance with the overall plan for our Nation's Capital. It is primarily an advisory role to the Mayor, to the Corporation and to the Congress of the United States.

Senator HATFIELD. Likewise, you must approve the design of the Franklin Delano Roosevelt Memorial and other such memorials that may be placed in the city?

Mr. CONRAD. Yes, sir.

EXECUTIVE DEVELOPMENT PROGRAM

Senator STEVENS. What is the increase needed for the executive development program for which you have budgeted some $8,500? Why is that $3,000 increase needed?

Mr. CONRAD. We are rather proud of our development program. We have 60 employees and some 34 various employees have attended the training programs. This is to increase our participation in the training program. I believe the figure is about $5,000 that we now have. This would be an increase of about $3,000.

Senator STEVENS. Is this on-the-job kind of training, that kind of training, that kind of thing, or on their own time?

Mr. CONRAD. Could I refer that question to the administrative officer?

Mr. TREVOR. It is training given by the Civil Service Commission or the Department of Agriculture Graduate School and it is held during working hours. However, there are job-related courses which we allow our employees to attend which are after regular working hours.

Senator STEVENS. You pay the cost of that?

Mr. TREVOR. Yes, we pay the cost.

Senator STEVENS. Why is there an increase of $3,000, a 40-percent increase in 1 year? That is what we would like to know. You don't have any increase in personnel do you?

Mr. TREVOR. That is right, Senator. There has been an increase in recent years in many things like "management by objectives" and other management skills programs that our employees have not had an opportunity to take advantage of. We have asked for this $3,000 addition in hopes we can expose more of our top level employees to these new management concepts.

OFFICE RENTAL

Senator STEVENS. Your office rental is up by about 25 percent, under the GSA concept. Do you have any idea of how this compares with the going rate for commercial space in your area?

Mr. CONRAD. I have a feeling it compares with commercial space in our area. However, we were not included in the process of increasing our rent, so I just do not know the answer to that question, Mr. Chairman.

TRAVEL REQUEST INCREASE

Senator STEVENS. What about the travel request increase for $2,000? What brought that about when there is no increase in personnel?

Mr. CONRAD. The administrative officer will answer that.

Mr. TREVOR. Basically, we are never sure how much Commission travel money we are going to need. It depends quite a bit on whomever the President appoints as Chairman of the Commission. We have in the past had a chairman from out of the local area and each meeting that he attended, of course, resulted in considerable amounts of travel money. Other than that, the normal inflationary pressures on travel money would account for the difference.

GSA LEASED VEHICLES

Senator STEVENS. You budgeted $2,500 for vehicle rent. Do you use GSA vehicles?

Mr. TREVOR. These are GSA vehicles.

Senator STEVENS. You also have a chauffeur for that car.

Mr. TREVOR. Yes, sir, we have a chauffeur-clerk, and he does chauffeur the Chairman when we have a chairman and he does clerical work as well in the administrative office.

I might add, we have recently changed the title of the job to clerk since the preponderance of his time is spent in clerical work rather than in chauffeuring.

Senator STEVENS. This means my colleague, Mr. Proxmire, is going to look at all of the clerks, too.

How much time does he spend driving the vehicle?

Mr. TREVOR. I would estimate about 20 percent of his time.

Senator STEVENS. He drives just the Commission Chairman?

Mr. TREVOR. The Commission Chairman, occasionally, the Commission members, and occasionally the Executive Director when he goes to various meetings and so forth.

Senator STEVENS. Does he drive the vehicle for social occasions?

Mr. TREVOR. No, sir, absolutely not.

FUNDS FOR CONSULTANTS

Senator STEVENS. You have a justification of a $50,000 to $60,000 level for spending for hiring consultants in 1975 and 1976. Can you tell us what that is? Does it involve your publications such as the recent planning history?

Mr. CONRAD. The consultant, Mr. Frederick Gutheim, who is responsible for the development of the history of planning, and some of these moneys were expended for Mr. Gutheim in writing up his history. The publication funds will be used in part for printing this history. Since the contract did not include printing, we can get that cheaper through GPO than we could on the open market.

Senator STEVENS. Am I to understand that $50,000 to $60,000 is just one consultant?

Mr. CONRAD. No, sir, a portion of that was spent for the consultant, but we have a regular publication program. We put out a quarterly on the Commission's actions so other Government agencies as well as the public can be informed of the Commission's actions and how it affects them. We also have a comprehensive plan we publish and keep up to date which comes from the publication funds and we also have published——

Senator STEVENS. Mr. Conrad, we are trying to find out what you are using the consulting money for. Are you trying to tell me that you are using that for printing?

Mr. CONRAD. $35,000 of that $50,000 is consultant funds to be used during the year to supplement the technical competency of the staff. There are certain things which we get into which we just do not have the staff competency to do.

So we hire outside consultants. I think a good example of that is where we hired Mr. Babcock, who is a zoning lawyer and one of the best in the United States, to help us out on several zoning matters which had a Federal interest. And $15,000 of that was to provide technical services in regard to the environmental program, which requires technical engineering data to write up an environmental statement or assessment regarding projects which come before the planning commission for review.

So the $35,000 is a general fund for use of consultants to help out the staff and $15,000 is earmarked for consultants on the environmental side.

BOLLING–ANACOSTIA AREA

Senator STEVENS. Tell us about the Bolling-Anacostia military area. What is your responsibility in that area?

Mr. CONRAD. We review the programs and projects of the Anacostia–Bolling area. We do not have approval of their projects. In the

District of Columbia the planning commission does have approval of Federal projects in lieu of zoning.

The Armed Forces Committee last year, I believe it was, by legislation, took away the powers of the Commission in the Bolling area and asked that the military coordinate with us for advice and to see that they are in keeping with the overall plans of the city. So we still review their programs and their projects. But it is only on an advisory basis, Mr. Chairman.

TRANSITIONAL PERIOD

Senator STEVENS. One last question. When you approach that transitional period of 3 months, your request is less than one fourth of the request for 1976. Why is that? Do you expect a reduction in your expenditures? Why is it less than the 1976 budget?

Mr. TREVOR. It was trimmed by OMB from $481,000 back to $424,000.

Senator STEVENS. What did they cut out?

Mr. TREVOR. They trimmed each of the areas in which we would have money appropriated within the salary and expenses account to the very minimum they thought we could get by with, because we were not planning to start any new programs during that period.

GSA LEASED VEHICLES

Senator STEVENS. Let's go back to the car again. You say there is a car for the Commission Chairman. That is the one that you rent from GSA?

Mr. TREVOR. Yes, sir, we rent vehicles.

Senator STEVENS. Two vehicles? Is one the Chairman's vehicle?

Mr. TREVOR. One is used to take the Chairman places, but it is used also for other things as well. It is not a private vehicle.

Senator STEVENS. Is it his when he is in town?

Mr. TREVOR. No, sir, as a matter of fact he only uses it after he arrives at work. He very rarely uses it coming to and from home, and he never uses it in the evening.

Mr. CONRAD. This was our prior chairman.

Senator STEVENS. I understand that. I am trying to find out if we are going to have a battle over that chauffeur driven car. If you have any further justification for it, you ought to put it in the record. I have a feeling this year we are going back over chauffeur-driven vehicles with a fine tooth comb.

Mr. SHEAR. He also serves for messenger purposes, Mr. Chairman, to pick up the payroll, to pick up materials on the Hill or to bring materials to the Hill. It isn't simply a chauffeur driven vehicle for the use of the Chairman of the Commission. It also provides necessary messenger service.

Senator STEVENS. I understood there was a messenger service of Government agencies so that you did not have to maintain your own. There is one you could use. Doesn't GSA use a pickup and delivery service now?

Mr. TREVOR. There are several messenger services we could use. We

have not in the past since we have had this man on board; we have been able to use him to carry messages.

Senator STEVENS. Do you have any further questions?

CHAUFFEUR'S HOURS

Senator HATFIELD. What are the hours that you could call on that chauffeur driven car?

Mr. CONRAD. Normal working hours.

Senator HATFIELD. Only during working hours?

Mr. CONRAD. Yes.

Senator HATFIELD. Do you have that car physically in your garage?

Mr. TREVOR. Yes, sir.

Senator HATFIELD. Is that chauffeur physically present every day waiting for an assignment?

Mr. CONRAD. He is not waiting for assignments. He is working as a clerk. When there is a need for him to drive the vehicle, then he drives the vehicle.

Senator HATFIELD. But only 8 to 5. It is not in the evenings, it is not 24 hours?

Mr. CONRAD. No, sir.

Mr. TREVOR. No, sir.

Senator HATFIELD. What about Saturday and Sunday?

Mr. CONRAD. If there is a Commission event related to the Commission's functions, yes. But very, very rarely do we have anything like that. I can't remember any this year that were Saturday or Sunday.

Senator HATFIELD. What is the model of the car?

Mr. CONRAD. A 1971 or 1972 AMC.

Mr. SHEAR. It is an American Motors model of some kind, Mr. Chairman.

Mr. TREVOR. It is not an Ambassador.

Senator HATFIELD. A Pacer?

Mr. TREVOR. That would be too new a model.

Senator HATFIELD. A Gremlin?

Mr. CONRAD. It is a standard four-door sedan.

Senator STEVENS. We are not being overly facetious. You had better be able to justify that as being necessary for the Commission. Whether it is for business or pleasure, you had better be able to justify it.

Thank you very much, gentlemen. We heard yesterday from the Pennsylvania Avenue Development Corporation the fact that they are perfectly happy to use your services and we are glad to have that problem worked out.

[The information follows:]

The employee used as a chauffeur to occasionally drive the Chairman to various official meetings throughout the city is a clerk 80 percent of his working day. The position carries the Civil Service Commission title classification of Clerk and not chauffeur as was incorrectly listed in our organization chart. His driving activities include not only the chauffeuring of the Chairman mentioned above, but also serves to provide the Commission with messenger service. The vehicle he uses during these activities is a brown GSA standard four-door 1973 Plymouth. It is garaged in our building at 1325 G Street, NW. and except on rare occasions, is used only during normal working hours.

WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS

STATEMENT OF JAMES H. BILLINGTON, DIRECTOR

ACCOMPANIED BY WILLIAM M. DUNN, ASSISTANT DIRECTOR FOR ADMINISTRATION

BUDGET REQUEST

Senator HATFIELD. We will hear now from the Woodrow Wilson International Center for Scholars, which is requesting $975,000 for fiscal year 1976. That is an increase of $21,000 over appropriations to date. The justification has been included in part 2 of the record (pp. 1809–1817).

PREPARED STATEMENT

Mr. Billington, please introduce those with you and proceed to highlight your statement. The full prepared statement will be included in the record.

[The statement follows:]

The Congressional decision to build a "living memorial" for a great scholar-president has enabled a new international center for advanced scholarship to emerge in Washington. It is hopefully on the way to becoming a place which makes a difference; a center in which humanistic, Wilsonian connections are made between intellect and moral purpose, the world of ideas and the world of affairs.

People, ideas and communication are the essentials of scholarship. The activity of this Center is hopefully a creative mix of all three: People who can think, ideas that matter, and communication that gets through.

People

Finding gifted people to investigate important ideas is the main business of the Center. Hard work by an individual on a serious project is the basis for everything else. I believe we have made progress in the difficult time-consuming search for men and women with the right combination of discipline, dedication and focus.

There has also been increasing variety among fellows. Though our numbers are small (35 fellows at a time is customary), different backgrounds and cultures are always included. In the past two years, we have welcomed the physicist-editor of the Bulletin of Atomic Scientists; a marine engineer from the navy with the world's record for deep-sea diving; former attorneys general of the United States and Ghana; former heads of the Indian foreign service and of the Chilean Christian Democratic Party; former presidents of Johns Hopkins University, of the American Political Science Association, and of the American Association for the Advancement of Science; active leaders of major international studies programs in New Delhi, Tokyo and Oxford; distinguished scholars of international law from Australia, France, Israel, and Poland; and thoughtful journalists writing major books on European-American relations regionalism in America, and the reporting of news in Washington, D.C.

An increasing number seem concerned with putting things together rather than simply taking things apart -- with finding tentative answers to important questions, not just definitive answers to trivial ones as in so much writing for narrow academic guilds.

Eighteen years as a professor at Harvard and Princeton and two years as Chairman of the Board of Foreign Scholarships have persuaded me that there are many underused and untapped intellectual resources within the world scholarly community. We have thus tried to cast our net more broadly. While the Center has a long way to go in spreading the word, we have already begun attracting many more qualified academic applicants. We have also benefitted from the advice of selection panels which are now composed entirely of American scholars who are outstanding in their fields and wide-ranging in their interests. Their help in the process of scholarly review guarantees uniform quality for the fellowship program. Their interest and advice will be a source of strength for the future development of the Center.

Program

From the beginning the Center has sought to reserve some of its fellowships for certain areas of special emphasis. The past two years

have permitted a review of the original areas, the launching of some new ones, and the definition of an overall structure for the scholarly program of the Center.

In May, 1974, the Board of Trustees formally adopted the recommendations of a special committee under Paul McCracken that the Center be organized into three broadly-defined scholarly divisions: Historical and Cultural Studies, Social and Political Studies, and Resources, Environment and Interdependence. This arrangement creates no permanent positions or restrictive barriers within our interdisciplinary body, but it will enable us to plan for a balanced company of fellows chosen by panels with relevant disciplinary qualifications.

Scholarly activities at the Center may be conveniently discussed in terms of these three divisions.

Historical and Cultural Studies represent the new humanistic thrust of the Center. There are three special areas of emphasis within this division. First was a cluster of scholars working on the period of the American Revolution and the early constitution, which has given the Center a bicentennial focus well before the national celebrations are scheduled to begin. Three fellows working at the Center on projects in the period of the American Revolution devised and put together on behalf of the Center scholarly materials and an intellectual framework for a special session of the House of Representatives on September 25, 1974, commemorating the 200th anniversary of the First Continental Congress. Jack Greene compiled the special publication of documents and Martin Diamond provided the commentary on nationwide public television for what was, in effect, the opening event in the official celebration of the nation's 200th birthday.

In the memorial to an internationalist president, it seems fitting to focus special attention on key areas of concern abroad. Thus, the Board of Trustees established in December, 1974, under the leadership of Center fellow George Kennan, a new Institute for Advanced Russian Studies. Kennan's unique stature as the senior scholar-statesman of Soviet-American relations makes him the appropriate chairman of the advisory council for this new effort within the Center. Assembling a small but superior group of fellows in this area will permit greater use of the unmatched resources in Washington, and may hopefully serve as a fresh catalyst for the continuing national effort to understand better the other great superpower. Perhaps, too, it may provide an example for other groups that may focus at the Center on the broad, humanistic study of other foreign cultures (a sometimes neglected aspect of "area studies" in post-war America).

A third special area within this division will lie in the role of the visual media (film and television) in contemporary culture. On the basis of extensive staff study and the counsel of outside advisors, the Center decided late in 1974 to encourage applications in this area through the regular competition.

Social and Political Studies is the division dealing with areas that specially interested Woodrow Wilson as both a scholar and statesman. In response to a Board decision to devote special attention to the institutions of American government as they enter their third century, the Center launched a special program in State and Local Government in

1973. Careful staff study and an outside advisory group helped devise a program to encourage scholarly studies by practitioners. By mid-1974 a company of five were pursuing individual studies in this area at the Center.

Substantial funding was provided by the Ford Foundation for this special effort to bring those with sub-national governmental experience to make scholarly studies in this area at the Center. The program was in some ways anticipated by a one-day conference in May, 1973; and it produced another widely-noted conference in September, 1974. The basic purpose of this -- like other programs at the Center -- was to produce individual studies of importance.

Younger scholars have also enlivened the Center in recent years with fresh research leading to more complex and balanced evaluations of America's role in the world. A young Italian woman worked on a new treatment of American relations with post-war Italy; an even younger Peruvian economic historian studied American economic relations with his country; our youngest scholar, from Hawaii, drew new riches for the study of Philippine history out of the National Archives.

Resources, Environment and Interdependence, the third division of the Center, includes subjects specially emphasized by the Center in its formative early years: uses of the oceans, problems of the environment, and the prospects for sustainable economic growth. Significant work has been done at the Center in these areas -- particularly in preparing for international conferences, producing informed awareness of key problems, and sponsoring public presentations and meetings at the Center (as well as two conferences each at Wingspread, Wisconsin, and Ditchley, England). Ambassador Arvid Pardo of Malta, the veteran leader of ocean studies at the Center, was publicly recommended by a number of delegates to the Caracas conference on the Law of the Sea of July, 1974, for a Nobel Prize -- only a few months after his picture had appeared on the cover of Saturday Review. After reviewing work at the Center in these areas, the Board reaffirmed in June, 1974, its hospitality to fresh studies in the fields covered by this division.

Communication

But how does the word get out? we are often -- and properly asked. How do ideas and people interact with each other at the Center -- and reach out to others?

There is, of course, no simple or single answer. But the determination to communicate is second only in the life of this Center to the prior, basic need to gather people with something worth saying. We were deeply gratified that the Congress authorized a modest increase in our appropriation for Fiscal year 1975 expressly to create a new category of "public service" -- the main purpose of which is to share more broadly the fruits of scholarship as they ripen here in the castle building.

In this effort, it is important not to disturb the creative process by harrassing scholars with procedural and pedagogic burdens. We have generally urged our fellows to cut down on external meetings and conferences which are often repetitive and are generally inefficient as a means of transmitting let alone generating new ideas. But the development of ideas depends on communication; and the health of our type of society may well require men of ideas communicating more fully and creatively with men of affairs in the manner that Woodrow Wilson advocated.

Thus, it seems appropriate that the public service of communication be formally made part of the program of this memorial to Wilson. In the long run, I suspect that television will play an important role in this process for the Center -- since it represents potentially the most effective means of communicating with a broad national audience without unduly distracting a productive scholar. But, for the present, the Center's scholarly communication is largely concentrated in written work and oral dialogue.

Publications

Every fellow at the Center has a major individual project. Preparation of this written work is the principal form of common discipline among fellows. Publication of the finished product is their major obligation to the society that supports them.

The nature of scholarship often dictates a substantial time lag between the completion of work at a research center and finished publication. Thus, the list of publications in our Budget Justifications tends to reflect the work of earlier years more than the scholarship conducted at the Center during the two years reported here. Finished books include the prize-winning study about a former Secretary of State, the work of a Dutch scholar on international fisheries, a new view of American isolationism, a scholarly study of race relations in Brazil, and a multi-volumed study covering the politics of all the major regions of the United States.

There have been many other types of publication -- some of them probably more widely read than traditional scholarly monographs. Scores of major articles in magazines have been supplemented by dozens of smaller pieces in such places as the "op. ed." page of the New York Times and the editorial page of the Washington Post.

Our desire systematically to disseminate thoughtful, short pieces by Center fellows led the Board in December 1974, to authorize the founding of a quarterly journal by the Center. Peter Braestrup, a distinguished journalist and fellow of the Center, will edit this new publishing venture, which should begin to appear in 1975.

Yet another area of planned Center publication lies in the field of scholarly inventories. The Center followed bibliographical work in the environmental area with a world-wide survey of research in progress on the subject of sustainable growth. The first version of this latter inventory was rapidly exhausted when it appeared this past year, and a final revised version will be completed early in 1975.

The Center plans to concentrate henceforth mainly on the "switch-board" function of making known the unique resources of the Washington area which both our fellows and our library staff have come to know and value so highly. The Center plans to prepare early in 1975 the first of several readable guides to Washington resources as a service to the entire scholarly community. Particularly with the influx expected during the bicentennial year, the Center will seek to help bring a new awareness of the range and precise locations of the vast and often inadequately known resources for scholarship in the Capital.

Dialogue

A basic rule for all meetings at the Center is that they must assume the form of dialogue. Unlike universities, where the basic form of intellectual exchange is still the lecture-monologue, the Center insists that all public discourse involve more than one speaker in some form of structured exchange. There are basically three types of dialogue at the Center:

Pre-luncheon discussions are held every Tuesday and Friday providing an opportunity for informal, internal discussion among the fellows and with a variety of distinguished guests. Informal dialogue has been notably enriched at the Center during this past year by the establishment of a new buffet-dining room for Center fellows on the fourth floor seminar room of the castle building. There is now a daily opportunity for quiet exchange untroubled by the frequent crush of visitors in the Smithsonian Commons.

Late afternoon colloquia on work-in-progress are generally given by all fellows at some time in the course of their stay at the Center. A fellow also serves at some time as the appointed critic of another's presentation. This format helps focus discussion on key ideas rather than minor debating points. The fellow provides colleagues with a report on his work and receives in turn constructive criticism. Attendance at these sessions is purely optional, but generally high.

Evening dialogues provide a special new opportunity to explore the Center's role of interacting the worlds of ideas and affairs. Thanks to a generous grant from the Xerox Corporation, the Center has been able since February, 1974, to assemble carefully invited groups of 30-35 for the sustained discussion in Washington of questions of fundamental importance. The library and rotunda of the Center have proven congenial places to assemble and focus people with widely varying perspectives and backgrounds on a common question for four-hour sessions lasting through dinner. These evenings begin with an uninterrupted dialogue of more than an hour among two or three specially qualified speakers. After dinner, members of the public sector and others join the discussion -- in pursuit of a question at a deeper level than is possible under the pressure of day-to-day work.

The evening dialogues are generally taped by Radio Smithsonian and a number have been broadcast over public radio.

Celebration

The red castle building in which we are so fortunately and centrally located suggest the metaphor of a monastery for the Center. Individual scholarship -- like individual worship for the monk -- is the prerequisite for everything else. Dialogue about ideas is our scholarly equivalent for monastic liturgy. There may be, as well, an equivalent for the festal days of celebration in which monks traditionally sought to radiate sounds of praise to the broader society.

The Center played a leading part in giving scholarly substance to the Congress's own 200th birthday celebration in September, 1974. A letter from a number of congressmen including Speaker Carl Albert and the Majority and Minority Leaders of the House of Representatives, thanked the Center for its "generous and enlightened assistance to us

in our planning of the 200th Anniversary Celebration of the First Continental Congress." In December, 1974, the Center co-sponsored with the British Embassy a dinner commemorating the 100th anniversary of the birth of Winston Churchill -- the man who symbolized the allied cause in World War II as Wilson had in World War I. The main speeches were by Michael Soames and Secretary of State Henry Kissinger, the toast by the Speaker of the House Carl Albert; and a great deal of living history recounted by an illustrious group of surviving leaders from the Churchill era.

Support

Congress provides the basic continuing support for the Center -- and gave fresh encouragement to all our efforts by providing an increase in the appropriation for this fiscal year.

Although the economic climate was difficult, private support increased markedly in 1974, to more than three times the amount raised during 1973 ($369,540 vs. $95,100). In addition to substantial new grants from Ford and Xerox already mentioned, there were other helpful grants -- including particularly appreciated unrestricted ones. There was also a heartening first: foreign financial support (for an annual fellowship) from the Japan Foundation.

The $975,000 request for Fiscal Year 1976 represents an on-going program identical with that of the current year. The small increase of $21,000 will go exclusively to personnel costs, caused (apart from modest in-grade increases) by the Center's having to budget a full year for its five new permanent positions, rather than a partial year, as was the case in FY-1975. Apart from salaries, all other elements of the Center's operations remain unchanged or have been modestly reduced.

LIVING MEMORIAL

Dr. BILLINGTON. This is Mr. Dunn, the Assistant Director for Administration.

I would say the congressional decision to build a "living memorial" for a great scholar who became our Nation's President has enabled a significant new international center for advanced scholarship to emerge in Washington.

I think now that we have passed our fourth birthday, we are on the way to fulfilling our congressional charter as an international center interacting the world of ideas and affairs, and at the same time reflecting Wilsonian humanistic concerns by using the vast scholarly resources of Washington and adding the historical and comparative dimension.

Finding the right people, gifted people, to work hard on major projects dealing with important subjects is, of course, the main business of the Center. We send out literature twice a year to more than 1,000 universities and professional associations throughout the world.

Last year the number of our applicants increased substantially, and we accepted more scholars than the year before, 47 fellows and 6 guest scholars, 5 more in total than the preceding year. They come from 15 countries, 14 different American universities. On an average they are staying for a longer period than before. It is, I think, heartening. Our fellowship ranges among Americans, from a naval officer with the world's record for deep-sea diving to former presidents of the American Political Science Association, the American Association for the Advancement of Science, and the American Academy of Arts and Letters.

LENGTH OF STAY

Senator STEVENS. Let me ask you, I notice the length of stay is increasing. Why is that good? I thought, if my memory is correct, that we were looking for a balance between numbers and the time of stay. If you have them stay longer, that will decrease the numbers in the future, won't it?

Dr. BILLINGTON. We have been able to combine an increase in numbers with slightly increased lengths of stay. We think that is desirable, because to do a really serious and major piece of work, it takes a somewhat longer period of time.

Senator STEVENS. Is that your goal? To have them produce something identifiable as a piece of work done at the Woodrow Wilson Center?

Dr. BILLINGTON. Yes; this is one of our major goals, to have that kind of serious output.

WORK PRODUCED AT CENTER

Senator STEVENS. Is there any requirement that if that occurs that some sort of credit be given to the Center, that it is a work produced at the Center?

Dr. BILLINGTON. Yes, sir. It is the requirement and expectation of acknowledgement, and we have other plans for getting out the word.

Do you wish me to continue, or do you want me to address myself directly to that, Mr. Chairman?

Senator STEVENS. I am really wondering what we can tell our colleagues about the increased standing of the Center in the intellectual world. That is the whole thought of it, isn't it? This is a living memorial to Woodrow Wilson on the basis that it will be one of the outstanding intellectual centers of the world?

Dr. BILLINGTON. Yes; I believe that is what in fact is happening. Having people stay for a longer period is one way of increasing that kind of stature.

Senator STEVENS. Does that increase the cost to the Government?

Dr. BILLINGTON. No, sir. I tried to cover this briefly in the context.

Senator STEVENS. All right. Proceed then.

Sometimes some of our colleagues will say, you know, you have these fellows coming here and instead of spending 2 months, they are staying a year. What more are you getting out of this program if that is the case?

I would like to be able to answer some of these questions somewhere along the line since I am one of your advisory members and also sitting here on this committee. I hope you will be able to give us justification for the change that is going on as far as the Center is concerned.

PRIVATE SUPPORT

Dr. BILLINGTON. In the expansion, we are asking for the essential continued Federal support with only a slight increase which I will get to in a minute. But I think the expansion both in terms of length of stay and in terms of the richness and diversification of the program as well as our communication program is essentially being funded out of the increase in the private sector which has quadrupled this year over the last year. I think you can essentially attribute both the increased quality and the increase in the terms of time to the new funds during this last year.

What I am about to report by that increment——

Senator STEVENS. Let me ask one more question. Is any of the increased financial support from the private sector tied to any particular individual?

Dr. BILLINGTON. No. It comes either for general Center support, unrestricted, or for some of the special programmatic emphases we have.

SCHOLAR SELECTION

Senator STEVENS. You didn't have anyone say they will give you x dollars if you will invite x scholar?

Dr. BILLINGTON. No. Our selection procedures depend on scholarly evaluation by our panel who make recommendations to me, and I in turn make recommendations to the guest fellowship panel of the Board.

We have this diversification in terms of our American fellows. In terms of our foreign fellows, the Mexican novelist-critic who just left us to become Mexican Ambassador to Paris—it ranges from people like that to heads of major international study programs in New Delhi, Tokyo, Oxford, and Warsaw.

We also have young U.S. scholars interacting with these more experienced people. To name some of our youngest: From Hawaii, from Denver, from Washington State, from Virginia, from Atlanta.

51-957 O - 75 - pt. 3 - 16

I think a heartening variety and diversification befits a national institution. The number and percentage of academic people from the professional scholarly community is higher this year than before. It has been increasing. We think this speaks to its stature as essentially a center for scholars as the name implies.

We also now have national scholarly selection panels in all three of our divisions composed of some of the most distinguished scholars throughout the country. We are in constant consultation with the broad spectrum of the academic community.

NEW DIVISIONS

The program has been defined just this past year in three broadly defined scholarly divisions designed to assure balance and continuity. It is useful, I think, Mr. Chairman, to discuss these specific areas we have a special interest in terms of these three divisions.

The first is "Historical and Cultural Studies." We now have a group working on the period of the American Revolution. They incidentally helped collaborate in the celebration of the 200th Anniversary of the First Continental Congress in the House of Representatives this September.

We have a new Institute for Advanced Russian Studies under former Ambassador George Kennan, which we think is intrinsically important internationally and represents an important fresh start in the question of international area studies.

We have a smaller group which is just coming into being which will deal with the effect of film and television on contemporary life and society on an international basis.

In the second division of "Social and Political Studies", we have a program for the study of State and local government. We also have a number I have already mentioned, dealing with various international problems and institutions of American Government as we enter the third century of our national existence.

The third division is called "Resources, Environment, and Interdependence." We have had a number of conferences and publications on the areas of the limits of growth, the uses of the oceans, which are problems of long-standing and continuing center interest.

We attach special importance to the problem of communication, getting the word out, to which you have just alluded. The new category of public service which we introduced last year was directed specifically to this question of getting the word out to a broader public from this small institute for advanced study.

PUBLICATIONS

Our publications have begun to grow. We are founding a new quarterly journal, and a distinguished journalist who has been a fellow with us has agreed to stay on and edit this.

We also publish a few scholarly inventories. We did one on the worldwide summary of work on the whole problem of economic growth which was immediately sold out. We hope to do some readable guides to the vast scholarly resources of the Washington area, in which we are so fortunately located. As our scholars get so much experience we hope to share these broadly. This should be done early this year.

OTHER COMMUNICATIONS PROGRAMS

In addition to publications, another form of communications, dialog, is essential to our life in the Center. The lecture-monolog, which is the form of most universities, is not our form. Everything is in terms of structured exchange between people with different ideas or points of view.

We have a range from informal lunches in our fellows dining room to preluncheon discussions twice a week, to late afternoon colloquia on work-in-progress. We also have had 14 evening programs involving 30 to 35 people in sustained discussions of key problem areas from a variety of disciplines and backgrounds.

We have had four broadcasts over national public radio of selections from these dialogs, and proceedings are also gotten out. Now that we have this quarterly journal we will share these dialogs, the results of these dialogs, as well as the results of the substantive scholarship with a much broader audience than we could normally reach through a scholarly publication.

FUND DRIVE

Mr. Chairman, in addition to the sustaining support we are asking from the Congress, our advisory council has now met three times; and largely through their support in dealing with the private sector we have increased by a factor of four the private support this year over the support last year. That fund drive is continuing. We have also had a gratifying first, the Japan Foundation has provided funds for a fellowship which represents our first foreign source of support. It seems to us appropriate in an international center and is much appreciated.

Our current request for $975,000 represents an on-going program identical with that of the current year, with no increase in the program except in the private sector; the small increase it represents is exclusively for personnel costs, certain in-grade increases, as well as having to budget for a full year for the new positions that were approved last year, rather than for only part of the year as has occurred in the current fiscal year. So these do not represent any new positions.

TRANSITIONAL BUDGET

The transitional request represents exactly one-fourth of the current request we are putting in for this year. This continued support, I think, Mr. Chairman, is not only basic to all we do but also has been a great encouragement to private sector fund-raising efforts, because this continuity of congressional interest and support is an important factor in encouraging them to support us as well.

It is a young institution, Mr. Chairman, but I think we have found it to have exciting opportunities. It commands unusual dedication from those connected with it. I think we are making better use all the time of the unparalleled scholarly resources available in this city and also of the opportunity, and the surroundings of the Castle Building.

We are grateful to Congress for both creating and sustaining what seems to us an idea becoming an institution: a living memorial, in short, and we hope a worthy one, to a great American.

DETAIL OF PRIVATE FUNDING

Senator STEVENS. I am sure you know of my great support for your center. But I would like to ask you to do several things.

First, will you give us a list of your private funds and how they were utilized in the past fiscal year.

[The information follows:]

PRIVATE CONTRIBUTIONS TO WOODROW WILSON CENTER, JULY 1, 1974–MAR. 31, 1975

Date	Donor	Amount	How utilized
July 15, 1974	Merck & Co., Inc.	1,000	General purpose fund.[1]
Sept. 6, 1974	Ford Foundation	25,790	State and local government program.
Sept. 23, 1974	Pew Memorial Trust	25,000	Central administrative salaries and support.
Oct. 3, 1974	Ford Foundation	36,190	State and local government program.
Nov. 27, 1974	Earhart Foundation	7,500	General purpose fund.
Dec. 2, 1974	Mrs. L. W. Douglas	250	Churchill centenary dinner.
Dec. 5, 1974	Annenberg School of Communications	1,000	Do.
Dec. 11, 1974	Atlantic Richfield Foundation	25,000	Sustainable growth program.
Dec. 19, 1974	Xerox Corp.	15,000	Evening dialogs.
Do.	Ford Motor Co. Fund	3,000	General purpose fund.
Dec. 23, 1974	Ahmanson Foundation	1,000	Do.
Dec. 27, 1974	Coca Cola USA	3,000	Do.
Do.	Mrs. James H. Clement	300	Do.
Dec. 30, 1974	Carter Hawley Hale Stores, Inc.	1,000	Do.
Dec. 31, 1974	J. M. Kaplan Fund	2,500	Conference on TV in Presidential campaigns.
Jan. 2, 1975	Standard Oil of California	3,000	General purpose fund.
Jan. 8, 1974	McGeorge Bundy	100	Churchill centenary dinner.
Do.	Hugh Bullock	500	Do.
Jan. 13, 1975	Ford Foundation	38,390	State and local government program.
Jan. 17, 1975	Deere & Co.	3,000	General purpose fund.
Jan. 23, 1975	Caterpillar Tractor Co.	2,000	Do.
Jan. 27, 1975	Joseph W. Donner	2,500	Do.
Feb. 3, 1975	PepsiCo Foundation	25,000	Institute for Russian studies.
Feb. 25, 1975	J. C. Penney Co.	5,000	General purpose fund.
Mar. 3, 1975	Mr. & Mrs. David Packard	89,000	Central administrative salaries and support.
Mar. 10, 1975	Exxon Corp.	25,000	Division of resources, growth and interdependence.
Mar. 13, 1975	Mobil Foundation	25,000	General purpose fund.
Mar. 12, 1975	Amoco Foundation, Inc.	2,000	General purpose fund.
Mar. 26, 1975	General Electric Company	25,000	Institute for Russian studies.
	Total	393,020	

[1] General purpose fund pays costs of receptions, part-time extra typing help, center publications, seminars and other Center administrative expense and support.

FUND RAISING EFFORTS

Senator STEVENS. Second, would you tell us what fund raising mechanism you are using. Is this a private fund raising concept? What mechanism are you using? Do you have people on the payroll whose job it is to go out and raise private money, or how do you do that?

Dr. BILLINGTON. Mr. Packard, who is Chairman of the Advisory Council, is assuming direct responsibility. We do try to provide some backup support from our staff, from our Special Assistant, Dr. McCan, who has had substantial experience in this regard and has been of particular help, as has the Assistant Director for Administration, Mr. Dunn, here. But it takes a great deal out of our staff efforts. We do not feel we are authorized to have one solely and exclusively for fund raising purposes.

Senator STEVENS. These are added efforts?

Dr. BILLINGTON. These are added efforts.

Senator STEVENS. Plus the advisory committee under Mr. Packard?

Dr. BILLINGTON. Yes, sir. We would hope as time goes on it might be possible to sustain a staff position out of the private funds we are generating——

Senator STEVENS. That was my next question.

Dr. BILLINGTON. We do not have this at the moment. We hope if this campaign continues and develops that we will be able to sustain that, because frankly, it takes tremendous time and energy from all of us on the staff.

PRIVATE FUND EMPLOYEES

Senator STEVENS. I was informed you have shifted some of the people supported by public funds over to the private sector funds, is that right?

Dr. BILLINGTON. No; I would not describe it that way. We have in fact been able to add and develop these programs. For instance, if we add a Fellow we have to add it in effect out of private funds——

Senator STEVENS. How did you shift the administrative responsibility over to the private sector? Aren't you supporting part of your staff with private sector funds?

Dr. BILLINGTON. Oh, yes. We have done that.

Senator STEVENS. How many, and who are they?

Dr. BILLINGTON. At present, I, myself, am being paid out of private funds rather than public funds.

Senator STEVENS. Were you previously on the Federal payroll? The Federal contribution?

Dr. BILLINGTON. Yes; I think that is the only staff position that has been shifted.

Again, our ability to sustain that depends on our ability to get this private support on a sustaining basis and not on just a one-time basis.

Senator STEVENS. We are trying to see whether this represents an increase in personnel. If you have shifted one person over to the non-Federal sector and you have the same personnel, then we have in fact an increase of Federal personnel, don't we?

Dr. BILLINGTON. No; the slot is being saved for me because we are not sure how long we are going to be able to sustain being able to do it on this basis. It has been a fiscal change but not an increase in slots.

Senator STEVENS. Is that how you were able to absorb the increase in pay costs the last year?

Dr. BILLINGTON. Yes. Essentially, to a large degree.

Senator STEVENS. We commend you for that. I also understand you have reduced your travel request. You are the only agency that has appeared before this committee that has reduced its travel request. Tell us how you did it. Maybe we can get someone else to do it.

Dr. BILLINGTON. We have reduced it—and also we have reduced several things in this area. We have reduced travel, we have reduced consultation in this public service sector, we were able to generate enough private funds to cover more of this, and these seemed to be particularly appropriate areas for those reductions. The travel, public service, for the evening dialogs and this kind of thing, the public service category——

Senator STEVENS. That is a temporary reduction. Have you changed your program so that this will be a permanent reduction of your travel funds and so forth?

Dr. BILLINGTON. If we can sustain the private support, we envision keeping it at this level, yes, sir.

Senator STEVENS. I get the sort of feeling that we have a feather pillow. Every time something comes under pressure you are allowed to shift it over to the private sector of support, and put back in the public sector support those who have no problem. I would not blame you if you did. Has that been done in this budget?

Dr. BILLINGTON. I don't think so. Our private supporters are concerned, as our public supporters are, as to how this money is used and whether these are sensible and important parts of an overall program. We are very fortunate that the private support, in this case the Xerox Corporation, of our evening dialog program, took a close look at the program themselves and were able to renew their support for this year.

PRIVATE SUPPORT FOR 1975

Senator STEVENS. That is my next question. I saw the last one, it was very good. What is your estimate for 1975 of the private support level?

Dr. BILLINGTON. For this particular program?

Senator STEVENS. No; for the total support for the Center. Do you have a budget?

Dr. BILLINGTON. We are in the midst of an intensive fund raising campaign, which I indicated in this past year has increased by a factor of about 4, 4 times over what we were able to raise in the private sector the year before. This is a continuing process. We are trying to raise private moneys.

Senator STEVENS. You had about $370,000 from last year; do you anticipate more than that for fiscal 1976 or the same amount? What is your target?

Dr. BILLINGTON. Our target would be——

Senator STEVENS. To get as much as you can.

Dr. BILLINGTON. I must say this takes tremendous energy. This is not an easy time to raise money in the private sector, either. We would hope to get as much as we can. Generally speaking, we define program objectives and explain what we are trying to do. I have already outlined some of these areas where we mant to make a special additional effort. If we can get the right amount of private money we can do it at one level; if we can't, we have to scale it down accordingly.

Senator STEVENS. All we want in the record is what your goal is for private funds. We have the goal for Federal money. What is your goal for private money for fiscal 1976?

Dr. BILLINGTON. The goal definition in terms of program is clear. In terms of funding, I am inclined to leave that in the hands of the chairman of the advisory council who is, in fact, assuming the responsibility for fund raising.

We have defined objectives, a sort of monetary objective, over those figures, in the neighborhood of $500,000.

Senator STEVENS. That would be your goal if you could get it?

Dr. BILLINGTON. Yes. That would be our goal if we could get it. We figure that is just about the amount we would like to get.

I might say this program, we are trying to get it on the basis of

annual pledges from our donors so these will be renewable and we will not have to go through this enormous energetic fund raising.

Senator STEVENS. Off the record.

[Discussion off the record.]

Senator STEVENS. Back on the record.

We are very grateful to you for the work you are doing. Your request is a very modest one for the level of effort you are putting out there, and I again commend you for the things you have been able to shift over to the private sector funds. I think that is going to have a lot to do with the total future support of the center, to make certain the private sector knows it is there.

Do you have any questions, Senator Hatfield?

SALARY FUNDING

Senator HATFIELD. Yes, thank you, Mr. Chairman.

Dr. Billington, I would like to go back a moment and pick up a point the chairman is making. I see on page 4 of your justification a breakdown of your budget into what is called general administration.

Is this where the staff salaries and wages are carried?

Dr. BILLINGTON. Yes, sir, most of them.

Senator HATFIELD. Did I understand you to tell the chairman that up until this year your salary had been under this general administration designation, which I assume is fully funded by the Federal Government, but that this year your salary is being carried by the private contributions? Did I understand that correctly?

Dr. BILLINGTON. Not the whole year. It has been recently transferred in the hope that the level of private funding will enable us to sustain that transfer; yes.

Senator HATFIELD. Would you restate the reason why your salary was shifted from Federal funding to private funding?

Dr. BILLINGTON. Yes, sir. In the original legislation, specific mention is made that not only one, but three positions were exempted from the civil service procedure, as it were, so it would seem to us the clear implication, and it also was, incidentally, to the committee in the House of Representatives when we discussed this last year, that it was appropriate to see in that a suggestion of the beginning of some sort of transfer of administrative expense from the public to the private sector.

This was a step in response, both to the opportunity to do so, because of private fund raising, and also because there seemed to be an indication that it should be done so in the original legislation and definition of the role of the top administrators.

Senator HATFIELD. Do I understand you to say because the original legislation exempts from civil service hiring policies three top administrators, that that was the reason for which you have moved to private funding for your own salary this year?

Dr. BILLINGTON. Yes, sir.

PROPRIETY OF PRIVATE SALARIES

Senator HATFIELD. I respectfully disagree with your interpretation of that. I think the basic reason why the top three positions were

exempt from civil service was that they felt that in establishing an intellectual center of this kind there ought to be the broadest flexibility in hiring people to carry out the administrative responsibilities. I don't think there was any implication that these were to be funded by private donations. In fact, Mr. Chairman, I feel very uneasy that any of our top—in fact, most of all of our top—positions should be funded other than under Federal funding. I think when it carries the charter of the Federal Government and we have the major support of this institution from Federal funds, the top administrators ought to be that much more responsible and directly related to Federal review and Federal funding procedures.

As I say, I feel very uneasy in shifting these salaries from direct Federal funding to private donations. It seems to me that I can foresee very grave difficulties arriving in the future, not under your understanding or your administration, but possibly there would be a time when you begin to get into these quasi-public institutions, you have to be all the more careful to keep the lines of authority and the lines of responsibility very clearly stated. I think it tends to muddy the water here, when we have the director of the Woodrow Wilson International Center under private funding and yet the major part of that institution is carried by public funding.

BENEFITS OF NONGOVERNMENT EMPLOYMENT

Dr. BILLINGTON. I think there is another important reason and it perhaps affects my own background, coming from the scholarly community as a professor at Harvard and Princeton for many years before coming here. I think there is much to be said in terms of the stature and validation of an institution in the academic community for the director of it, who is in fact a scholar and whose own links are essentially with the scholarly world, not in fact to be in the position to be considered by some at least a Government employee. There are already relations with the Government that have been very beneficial—both in terms of our congressional creation and support, and our Presidentially appointed Board.

It seems to many, I think, in the scholarly community, a distinct advantage to have someone who is not—I am often asked in terms of dealing with international scholars, for instance, "are you a Government employee or not?" I think it is very useful to say I am not.

Senator HATFIELD. I appreciate that interpretation. But again, when you are under the board of directors under which you function, and you are hired by the board are you not?

Dr. BILLINGTON. Yes.

Senator HATFIELD. Your appointment is determined by this board that is chaired by Bill Baroody, is that right?

Dr. BILLINGTON. He is the chairman; yes.

Senator HATFIELD. Therefore, you do not hold a governmental appointment in that sense. You are not appointed by the President of the United States or by any Federal agency?

Dr. BILLINGTON. Yes.

Senator HATFIELD. The Board is appointed by the President, is that correct?

Dr. BILLINGTON. Yes, sir.

Senator HATFIELD. So aren't you insulated through that kind of arrangement from a governmental flavor to your work?

Dr. BILLINGTON. It is a difficult position to explain and it is much easier to explain to the world scholarly community when there is the example of the Secretary of the Smithsonian, and the head of the National Gallery, who are also paid out of private funds and have a similar kind of relationship to a board.

I think in terms of establishing the kinds of stature and solidity of support. I cannot say what the Board's feeling was in making this decision, but it seems to me it is entirely appropriate and in keeping with the established practice of a number of other institutions that have a similar relationship to the Congress and the executive branch but whose stature in general is enhanced in their own respective international scholarly communities by having this kind of——

Senator HATFIELD. It may be a trade-off value, but I only want the record to show I am not sure I feel at ease with that situation. Maybe I foresee problems there that may not arise. I just want the record to show that I have some concern over that kind of arrangement.

I would have no problem with your projects and programs being funded by such independent contributions. But when we remove the Director from that relationship, from this budget, and the responsibility of Congress in this budget, I think it might raise some problems.

PRESIDENTIAL MEMORIALS

I want to say, Mr. Chairman, having been also somewhat involved with interest in the proper memorializing of our Presidents, I think this is one of the most significant of all of our memorials. As a member of the Franklin Delano Roosevelt Memorial Commission which has been struggling for about 18 years now to come up with an appropriate memorial, I certainly recognize a place for the kind of memorial we are finalizing now for Mr. Roosevelt. But I also am aware we have taken a stronger cue from the Wilson Memorial by action in the last Congress of setting up $30 million for memorializing Harry S Truman, President Truman, through a scholarship program of which $10 million will be the first increment this year.

The action we took last year when we memorialized former President Herbert Hoover by a $7 million contribution to a wing of the largest archives in the world, the Hoover Library for the Study of Peace at Stanford University, the memorial to honor James Madison, the Congressional Library—all these are lasting and fitting tributes. But I think this an even greater enhancement, to form an institution to bring the scholars of the world together.

I want to commend you. I have had, as the Chairman has had, opportunity to have exchanges with your scholars. I was impressed not only with the scholars but with the achievements of your program.

Senator STEVENS. Thank you very much—now that you have volunteered to be the new member on the advisory board, Senator Hatfield.

Now, one last question. What does it do to your retirement contribution when you go off the Federal retirement system?

Dr. BILLINGTON. I have to go back to the private plan I had when I was a university professor. I pick up that retirement plan rather

than the other. There are some disadvantages of that aspect of the change.

Senator STEVENS. I would think there would be.

Senator HATFIELD. Doesn't he have vested rights under our new pension reform act?

Senator STEVENS. You wouldn't get any credit for the time you are under the private sector funds. That is the problem. I hope your administrative people might tell you what that might mean in this period. I don't know if you have a high 3 years in or not under the Federal system, but it is something that you might look into.

We do thank you. I join with Senator Hatfield in commending the job you you are doing. We appreciate it very much.

JOINT FEDERAL-STATE LAND USE PLANNING COMMISSION FOR ALASKA

STATEMENT OF BURTON W. SILCOCK, FEDERAL COCHAIRMAN

ACCOMPANIED BY:

DUNCAN L. READ, DIRECTOR OF COMMUNICATIONS AND ADMINISTRATION

CARSON W. CULP, CHIEF, BRANCH OF BUDGET, BUREAU OF LAND MANAGEMENT

DAN FURLONG, BUDGET ANALYST, BUREAU OF LAND MANAGEMENT

BUDGET REQUEST

Senator STEVENS. We turn now to the Joint Land Use Planning Commission for Alaska. The request here is for $708,000, an increase of $15,000 over appropriations to date for fiscal year 1975. The justification has been included in part 2 of the record (pp. 2033–2038). Mr. Silcock, I believe you are the principal witness. If you will introduce those with you, you may proceed any way you like.

[The statement follows:]

Dear Mr. Chairman:

My name is Burt Silcock, Federal Co-Chairman of the Joint Federal-State Land Use Planning Commission for Alaska. The Commission was established in accordance with Section 17 of the Alaskan Native Claims Settlement Act (Public Law 92-203) and by Act of the State of Alaska (AS 41.40.010). Each Act stipulates equal funding by the Federal and the State governments. The Commission is composed of ten members: one appointed by the President; four by the Secretary of the Department of Interior; four by the Governor of Alaska; and the Governor or his designee serves as the State Co-Chairman. David Jackman was recently appointed by Alaska's new Governor to serve as the Commission's State Co-Chairman. A small staff including planners, economists, lawyers, and resource specialists is employed by the Commission.

A resource planning team composed of resource experts from various Federal and State agencies was assembled in July, 1972. The team's mission was to accomplish a statewide inventory of Alaska's natural resources, and thus provide the Commission with a data foundation upon which to base recommendations to the State and Federal governments on the disposition and use of lands. At the same time, the inventory was to provide Alaska Natives with resource information upon which to base their land selections. The statewide inventory was completed earlier this fiscal year, and the Commission, with the assistance of consultants, formulated a work program for the remaining two and one-half years of its existence. To fully realize the objectives of the work program in fiscal year 1976, organizational changes, including some changes in staffing, are occurring this year.

The current work program approved by the full Commission emphasizes policy studies and issue analysis directed toward both short-term problems requiring immediate solution and anticipated long-term conflicts necessitating the identification of processes and institutional arrangements to handle these conflicts as they arise. The major outputs of the 1976 program will be incorporated in periodic recommendations and a final report to the Federal and State administrations, to Congress, and to the Alaska legislature. The report will include:

1. Recommendations to insure the compatibility of economic growth and development with environmental objectives and the economic and social well-being of all Alaskans.

2. Recommendations on changes in laws, policies, and programs to improve coordination among landowners and managers, and to avoid conflicts among land users.

To develop the above recommendations, three interrelated studies focusing on social and economic policy, management systems, and land systems have been undertaken. The studies will be accomplished through the combined efforts of staff, interagency and intergovernmental task forces, the Commission's advisory committee, and organizations or individuals under contract to the Commission. As in past Commission work, involvement of the public in the policy studies will be extensive and effected by means of conferences, seminars, public hearings, and surveys.

Within the framework of economic and social demands for Alaska's lands and resources, the social and economic study area will analyze the consequences of alternative public policy decisions in response to those demands. These studies will address specific questions of key importance to State and Federal policy makers concerned with legislation affecting the management and use of Alaska's land resources. An example might be a study of the costs and demands for public services resulting from different strategies for the use of public lands.

The purpose of the management systems studies is to formulate alternative land management strategies that will be compatible with the unique character of Alaska lands, with emerging demands on their use, and with new patterns of control and ownership resulting from implementation of the Alaska Native Claims Settlement Act. These studies will include a critical evaluation of present land management systems describing agency operations, structures, functions, and philosophies and, in particular, an evaluation of recommendations for improving land management systems for both State and Federal land.

The land systems studies will generate alternative land classification schemes that reflect the interdependence among the major ecosystems of Alaska, the geologic availability of mineral resources, and the likely future paths of social change and economic growth.

Several standing Commission subcommittees will direct the research and policy development program outlined above. The major subcommittees are Transportation Planning, Federal Land Policy, State Land Policy, and Fish and Wildlife Regulation. Each subcommittee will identify issues and questions that will be treated in the Commission's interim and final recommendations. The issues identified will serve as unifying thems for the three studies. Federal proposals for transportation and utility corridors across Native and National interest lands, and the regulation of public access will be considered by the Transportation Planning subcommittee. Among the specific topics identified to date by the Federal Land Policy subcommittee are National interest lands in Alaska, cooperative land management programs, such as the Mt. McKinley program now underway, and a permit/lease system for minerals. The State Land Policy subcommittee will address the classification and management of State public lands, an acquisition policy for the remaining lands to which the State is entitled, and State land use regulatory legislation.

In addition to the Commission's basic program embodied in the policy development and research areas, technical planning services to Native organizations and assistance to Federal, State, and local governments will continue. This assistance program will rely on Commission staff and service programs of other agencies, both through direct referral and through the use of Interagency Task Forces. A network of technical services that can be organized and coordinated through the Commission is envisioned. To facilitate this activity, the massive volume of technical information contained in the Commission's statewide resource inventory will be maintained and updated.

For fiscal year 1976, we are requesting a Federal appropriation of $708,000 for the Federal share of the anticipated cost of the Commission.

I appreciate the opportunity to appear before the Committee, and I will be pleased to answer your questions.

APPROPRIATION LIMITED BY STATE LEGISLATURE

Senator HATFIELD. Mr. Chairman, I want to say I have another committee I must return to. But I want to say whatever the chairman wants he gets, whether I am here or not. I support the chairman on anything concerning the State of Alaska, and with my good friend Burt Silcock here, I am fully satisfied the justification is here, and I will leave you my proxy.

Senator STEVENS. That would be a very fine thing, but we have built-in limitations on this one. We can't appropriate any more money than the State legislature does, and that is what our principal problem is with Burt, to try to figure out how much money they are going to give his colleague, who is the cochairman this year. I don't think we have ever failed to appropriate the same amount the State has. It is a matter of fact, as I recall, in each year they have appropriated less than we have requested and we have had to reduce it.

INTRODUCTION OF ASSOCIATES

Mr. SILCOCK. Thank you, Mr. Chairman, I have Duncan Read on my left, the Director of Communications and Administration; also Carson W. Culp from the BLM on my right; and to the right of him, Dan Furlong, from the BLM. They furnish Commission support from the standpoint of budget and administrative services.

I have my written statement which I shall highlight for you.

Senator STEVENS. Your statement is printed in full in the record.

COMMITTEE PUBLICATIONS

Mr. SILCOCK. I would like to touch on a couple of points of our last program. We have published a resource summary for the State of Alaska and have that volume here. Also, we have completed the first regional profile which has been published and distributed. We think it is a very fine publication. It was developed in cooperation with the State of Alaska and the University of Alaska.

Senator STEVENS. I think it would be helpful to show those to the committee, if you could leave a copy for the committee.

Mr. SILCOCK. Yes; I will. In fact, this one belongs to you. We borrowed it from your office.

Senator STEVENS. Those have been quite in demand, haven't they?

Mr. SILCOCK. Yes, they have been; but we are having a problem getting them printed. We have the first volume printed, we have two more volumes ready to go to press, and we are trying to work out finances with the State for printing them.

ADDITIONAL PRINTING FUNDS

Senator STEVENS. Under the law, is there any way we can assist in that printing?

Mr. SILCOCK. I am sure there is some way it could be done if we had sufficient funds to help them in our program.

Senator STEVENS. We can only appropriate moneys on a completely matching basis under that law.

Mr. SILCOCK. That is right.

Senator STEVENS. Is there a request before the State legislature for increased printing costs?

Mr. SILCOCK. There is a request to increase funding for some of the printing costs to the State, but it refers more to our final report than to these profiles. We have urged the State to ask for a line item appropriation to print it.

There is a lot of valuable knowledge in this document. It could be used in schools, and managerial agencies, both public and private. We are also trying to work out mechanisms to keep it current, so that as additional knowledge is obtained it could be updated and supplied.

STUDY PROGRAMS

Our programs for this year follow three streams of studies. These were developed with the sanction of the Commission through the uses of the Public Affairs Counseling Service last July. We made some detailed studies of the Commission's activities and projected a movement in three areas.

One is socioeconomic studies which would analyze some of the economic impact on Alaska's resources. How those resources play a part in Alaska's as well as the Nation's needs, and, carrying that further, what their development would do to the cultural aspects of Alaska. In particular, we are concerned with the rural communities.

Another area, our second stream of studies, is management systems. Here, we will be analyzing the four major land management agencies in Alaska: BLM, Park Service, Forest Service and the Fish and Wildlife Service, and key state land management agencies. We will look at their type of work, their rules and regulations, and their manner in carrying out their mission, so as to consider the possibility of making adjustments, recommendations, or changes in their procedures to more nearly fit the needs of Alaska and Alaska lands. As national interest lands legislation moves through Congress, the Commission hopes to be available to present testimony on that to Congress.

The third item we are studying is the lands systems. Here, we are identifying land provinces in Alaska, and recommending what constraints or parameters should be developed in these areas as it relates to management and development. This is starting to move forward on three zones; coastal, mountain, and foothills.

ISSUES SUBCOMMITTEE

We also have set up subcommittees within the Commission to look at more specific issues in these categories. For example, the Federal land policy subcommittee will be taking an in-depth look at the national interest lands, and will be preparing testimony to Congress as national interest lands legislation moves through the legislative process.

We want to study the D–1 lands, which are lands that were formerly public domain but are now in a form of withdrawal, to see what their future should be as it relates to classification and availability for State selection and other public land law.

We also want to review the State land policy. The State of Alaska has selected in the neighborhood of 77 million acres of land and they have some 25 million yet to select. The Commission feels that the State should develop a land ethic as to where it is going in its land management process. We will be looking into their classification procedures, regulatory processes, and management procedures. Also, we will assist

the State in identifying the future selections of some 25 million acres of land that are still available to them.

One other aspect, which we think needs looking into and amending is the manner in which the State deals with the public in its land management process. We think the public should be brought more into this State land management process.

The third area we will be looking into is transportation planning, from the easement standpoint, which is ongoing and short term, and from the corridor development standpoint. BLM is now making a study of future industrial corridors across the State, and is about to come up with recommendations to the Secretary of Interior. We will be analyzing these recommendations, and also making recommendations to the Secretary on corridors and to the Congress as such legislation starts to move.

SUBSISTENCE HUNTING

We want to study the Federal-State jurisdictional problem of the management of fish and wildlife and their habitat. This will involve subsistence hunting, which is quite an important issue in the State of Alaska and must be addressed. We think this is a very critical area that should be studied not only from the Natives' standpoint but from the State as well.

Senator STEVENS. It is equally critical from a non-Native point of view, isn't it?

Mr. SILCOCK. It is a critical area; yes.

Senator STEVENS. The Federal Government withdraws about 150 million acres, which would be about half the land under Federal jurisdiction. As I understand it, it is going to be almost 80 to 90 percent of the lands below 4,000 feet. If the State continues to withdraw the lands and Natives do not allow hunting access to their lands, where is the non-Native hunter going to hunt in the future? It is a two-sided coin here. It is a very sensitive area.

Mr. SILCOCK. It is very sensitive and we intend to look at the total picture.

TECHNICAL ASSISTANCE

Another area is technical assistance to the Native community as they continue to move through their selection process. They have completed the village selection process and now they will be moving into the regional selection which must be completed by this December.

We will continue to advise and assist them in their selections. We will also try to assist them in developing their initial management plans for the lands they have selected.

With this general picture in mind, and the $708,000 which we are requesting, involving 19 people, we look forward to carrying on the Commission's activities for the year.

STATE FUNDING

Senator STEVENS. What is the outlook for the State legislature? Can you tell us what the request is on the State level?

Mr. SILCOCK. The Governor's budget has been submitted to the State legislature and it is requesting $763,000. That, of course, is being considered by the Finance Committees. It has not yet come out of

committee, but they are starting to hold hearings on those budget requests.

PRINTING COSTS

Senator STEVENS. Is there any chance some of this printing cost could be added to that request? As I understand, we can match it on a 50-50 basis.

Mr. SILCOCK. That is certainly something we can look into and consider with regard to picking up some additional printing funds.

Senator STEVENS. Can BLM pick up any of those printing costs since it is a distribution on a national level? We have had resquests in my office, for instance.

Mr. SILCOCK. The past administration was working with the various agencies in the Department. This is something that could be looked into further and perhaps included in the State budget and then the Federal share would have to match it. We would be glad to do that.

Senator STEVENS. Do you have any comment on that, as to what the deal might be?

Mr. CULP. I would assume this would have relationship to our land-use planning process. That might be an area that we could explore to share the costs on the Federal side.

Mr. SILCOCK. It has a relationship to all of the agencies in Alaska, the Corps of Engineers, Park Service, Forest Service, and other Federal agencies.

Senator STEVENS. I think intra-Alaska costs were to be shared with the State, but when you get to something like this that has such national interest, as far as the type of document I am talking about, the Regional Profile, then it is a different situation. There have been several people come into the office just to look at that and see what the application might have on their State and what utilization they could get out of that approach. I think those costs incurred outside of Alaska with regard to a publication like that should not necessarily be a joint cost of the Commission.

We would hope you would keep us informed as to action on the State appropriation. I am sure Carson will do that anyway.

GS GRADE LEVEL

Now, what is the increase in the GS grade level for this request?

Mr. SILCOCK. It is increased to 11.6.

Senator STEVENS. Is it a matter of longevity? You have an increase in the GS grade level as opposed to last year for the Federal employee.

Mr. SILCOCK. There was some restructuring of the organization. We were looking for a different expertise or mix of people. In order to obtain those people we had to restructure our grades.

Senator STEVENS. Could you give us a statement for the record that gives us your employment for State and Federal for fiscal 1975 and an estimate for 1976 and a comparison with 1974?

Mr. SILCOCK. We have a comparison which will show the 1974, 1975, and 1976 figure, and a comparison that will show our grade structure for the 1976 request. I will provide this for the record.

[The information follows:]

51-957 O - 75 - pt. 3 - 17

JOINT FEDERAL-STATE LAND USE
PLANNING COMMISSION FOR ALASKA

Personnel Organization

1974

Position	Grade
Federal Co-Chairman	Level V
State Co-Chairman Designee	15
Executive Director	16
Co-Counsel	15
Co-Counsel	15
Economist	14
Regional Planner	13
Regional Planner	13
Coord. for Native Affairs	13
Asst. to Coord. for Native	9
Public Information Officer	12
Writer-Editor	12
Administrative Officer	9
Executive Secretary	8
Receptionist	5
Clerk-Typist	5
Clerk-Typist	5
Clerk-Typist	4

This personnel organization was the staffing structure assumed in the FY 1975 budget submission. The positions and grades reflect the Commission's staff as of 7-1-74 before staffing changes were made.

1975

Position	Grade
Federal Co-Chairman	Level V
State Co-Chairman	15
Director, Policy Development & Research	15
Director, Technical Services	15
Director, Communications & Administration	15
Counsel	15
Native Affairs Specialist	13
Public Information Officer	13
Public Policy Economist	14
Senior Economic Analyst	14
*Public Administration Specialist	14
*Management Systems Analyst	13
*Land Systems Geographer	14
Administrative Manager	8
Lead Secretary	8
Commission Secretary	8
Secretary-Receptionist	5
Secretary-Clerk	5
Secretary-Clerk	5

*This position was vacant for a portion of the year.

1975

Position	Grade
Federal Co-Chairman	Level V
State Co-Chairman	15
Director, Policy Development & Research	15
Director, Technical Services	15
Director, Communications & Administration	15
Counsel	15
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Public Information Officer	13
Public Policy Economist	14
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Management Systems Analyst	13
Land Systems Geographer	14
Administrative Manager	8
Lead Secretary	8
Commission Secretary	8
Secretary-Receptionist	5
Secretary-Clerk	5
Secretary-Clerk	5

COMMISSION'S LIFE

Senator STEVENS. When does your Commission's life expire under the current authorization?

Mr. SILCOCK. The act has two deadlines in it. One, is the completion of the final report, in May of 1976. The other is December 31, 1976, for going out of business. In other words, we are ceasing to exist on December 31 of 1976.

Senator STEVENS. It is my understanding the desire of Federal and State members is to seek an extension of that sometime in the future.

Mr. SILCOCK. There has been discussion, Senator, on this. There has been proposed legislation considered by the Native community. I don't know if that has been introduced yet into Congress. The Governor has indicated an interest in seeing the Commission's life extended to the end of the period of time under which Congress will have to act on the National Interest Lands legislation.

Senator STEVENS. In view of the statement of the Interior Committee that was made by several members to me, and I think a former chairman of this subcommittee, as to the desire to rely upon your joint Commission heavily for the details of proposals before the Interior Committee, I would think that committee might want to extend this time at least during the 5-year period of consideration by Congress of the proposal.

Mr. SILCOCK. It would be an advantage, Senator. It would provide an opportunity to develop what takes place after the Commission expires. It gives the State an opportunity to structure some kind of land and resource planning council. There will always be some need for a State-Federal organization in Alaska because of the large landholdings and the need for coordination in that area.

FEDERAL OWNERSHIP

Senator STEVENS. Even after the Natives in the State get their land, the Federal Government still owns about two-thirds of Alaska.

Mr. SILCOCK. It will own approximately 58 percent, when it is all completed. The Governor has proposed some legislation to provide for bridging that gap. He is setting up a proposed land use planning council. Three members of the Federal-State Land Use Planning Commission from the State side will also serve on that State planning and management council. At least that is the way the legislation has been proposed.

TRANSITION PERIOD

Senator STEVENS. I note your transition estimate for the July–September quarter is $120,000, which is less than one-quarter of your 1975 estimate. Does this mean you will be phasing down your program in preparation for closing out in December of 1976?

Mr. SILCOCK. Our request was for roughly one-quarter of our 1976 program, but the President, through the OMB process, and his method of determining priorities reduced that to $120,000.

Senator STEVENS. Have you discussed the transitional period with your colleagues as far as the impact on the State budget? How are we going to handle that transitional period under this joint matching-fund requirement?

Mr. SILCOCK. We have not discussed it in detail with them. This is a projection submitted through the OMB process.

Senator STEVENS. My fear is if we would follow that process the State would be the same thing, as I understand it, you would be about $120,000 short for that quarter?

Mr. SILCOCK. We have always felt that we would continue at the level of the 19 people up to December of 1976. Of course, there would be some phaseout, but we feel that it is important in the transition period that after the Commission has made its recommendations, we would be given the opportunity to work with the State legislature, the State administration and the national legislation to bridge the gap and provide time for the matter to be taken up and moved into a State process.

Senator STEVENS. We will try to help you get that decision made, before this bill is completed by the Congress for fiscal 1976 as to the termination date of the joint support.

But I do think we should not appropriate less than what would be one-quarter of your continuing expenses. It is an invitation to the State legislature to reduce the support prematurely, I think.

NATIVE OMNIBUS BILL

Are you preparing, as I understand, legislation for one of the Native groups?

Mr. SILCOCK. No sir, but it is my understanding through our Native coordinator, that the AFN was including an extension of the Commission in a Native omnibus bill.

Senator STEVENS. We have discussed putting that into a bill we have already introduced.

Well, we thank you very much. I would appreciate it, Mr. Culp, if you would let the committee know if there is any chance that BLM could consider supporting printing of those documents for use outside of the State of Alaska.

Mr. CULP. We certainly will.

FEDERAL METAL AND NONMETALLIC MINE SAFETY BOARD OF REVIEW

STATEMENT OF JUDAL HALE, EXECUTIVE SECRETARY, FEDERAL METAL AND NONMETALLIC MINE SAFETY

ACCOMPANIED BY FRANK L. SUMAN, BUDGET ANALYST, DEPARTMENT OF THE INTERIOR

BUDGET REQUEST

Senator STEVENS. We are now ready for the Mine Safety Board of Review, which is asking for an appropriation of $60,000, the same as for the current year. The justification has been printed in part 2 of the record—(pp. 1573–76).

We would be happy to have you proceed in any way that you desire. Someone has to be last, I am sorry it has to be you.

[The statement follows:]

Mr. Chairman: I am Jubal Hale, Executive Secretary of the Federal Metal and Nonmetallic Mine Safety Board of Review. I would like to make a statement on behalf of the Board. Chairman Hartman is not able to be here today. I will be happy to answer any questions you or Members of the Subcommittee may have.

Members of the Board are: Dr. Howard L. Hartman, of Nashville, Tennessee, Peter J. Bensoni, of Duluth, Minnesota, William W. Little, of Douglas, Arizona, Robert W. McVay, of Jefferson City, Missouri, and Charles E. Schwab, of Colorado Springs, Colorado. (Mr. Schwab's reappointment to the Board is pending before the Congress.)

The Board is a hearing agency, established to hear appeals from mine operators who wish to contest a mine closure order issued by the Department of the Interior which requires a mine operator to close all or part of a mine because conditions exist in violation of the Federal Metal and Nonmetallic Mine Safety Act or regulations issued pursuant thereto. The Board hears an appeal upon application of a mine operator affected by a closure order and it is before the Board that a hearing may be obtained and a record made on which further appeal to the court can be based.

The Board has had no cases brought before it and, therefore, has attempted to submit a minimum budget to Congress, that is, the smallest budget with which this Board could reasonably be expected to perform the duties that Congress has imposed, which, whether or not any cases are filed, would certainly include:

(1) Maintaining an office in the District of Columbia.

(2) Having an Executive Secretary.

(3) Having such legal counsel and other employees as are necessary to exercise its powers and duties.

(4) Maintaining the Board as an independent agency.

(5) Maintaining the Board's readiness to handle such cases as may come before it.

If the Board should develop anything that might be described as a caseload, we would have to approach Congress for a supplemental appropriation because, obviously, $60,000, the budget we have submitted, does not anticipate the holding of very many days of hearings.

As to why our Board has had no cases filed before it, I am not sure. I do not think a heavy caseload was ever anticipated for this Board. The Act attempts to enforce mine safety regulations by the issuance of mine closure orders only, and there is no provision for the assessment of civil penalties. I am sure that a mine

operator whose mine has been closed for safety violations would attempt to abate the violations and I suppose, in many cases, he would do so even if he felt the inspector had been arbitrary, in order to avoid the time and expense of a hearing. However, there were 1998 closure orders issued in 1974, and the Federal Metal and Nonmetallic Mine Safety Act remains the only major safety Act or any Act, I suspect, where the enforcement of a large code of complicated regulations has brought about no appeals.

NO APPEALS

Mr. HALE. Our statement is very short. I can answer any questions that you have to ask.

Senator STEVENS. Have you had any appeals to consider yet?

Mr. HALE. No. This Board has been in existence since July 31, 1971, and we have as yet had no appeals. Why this is, I am not sure. I was hoping it would pique congressional interest, but as yet it has not, except to worry about whether we are a waste of money or not.

Senator STEVENS. Do you have any expectations that there will be any appeals in the coming year?

Mr. HALE. I hate to make any predictions, but if the past is any judge—we are the main administrative remedy for a mine operator who wants to appeal, and I assume we are the only such act in existance. In this entire length of time, there has been no appeals.

EXPENSES

Senator STEVENS. What do you do with the money that has been appropriated?

Mr. HALE. It all goes to maintaining our office up there. We have a staff of two. The Board meets once a year. We let what is left over lapse and we return it to the Treasury.

Senator STEVENS. You mean the Board meets once a year?

Mr. HALE. Yes.

Senator STEVENS. And you support an office of one person and a secretary?

Mr. HALE. Yes.

Senator STEVENS. Is that person you?

Mr. HALE. Yes.

Senator STEVENS. The pattern has been that you ask for $60,000, use about $40,000 and revert the balance to the Treasury. What is actually provided by the $40,000? Do we have two people sitting in an inactive office drawing salaries?

Mr. HALE. As I mentioned, the expenditures of the Board support two full-time employees: an Executive Secretary/Legal Counsel and a secretary; the operating expenses of an office here in Washington; and a yearly meeting which includes travel and compensation of the Board members. The Chairman travels to Washington occasionally to appear at appropriation hearings. The pattern of expenditures would be similar in the future, unless the Board develops a caseload.

The duties of the Board's two full-time employees consist of managing the headquarters office and maintaining liaison with the five Board members.

STAFF UTILIZATION

Senator STEVENS. What do you do with your time?

Mr. HALE. I can't say we are very busy. We are an independent agency, I have to do whatever administrative duties are involved.

I use my time in a way that may extend my knowledge in directions to be useful to the Board, but, frankly, there are just no cases. It is that simple.

Senator STEVENS. Has any consideration been given as to whether any agency could use your services during this period to determine if there will be any appeals?

Mr. HALE. I am sure there has not been. If I could put it in a little more perspective than that, Senator: If you recall, in 1972 there was a very tragic mine disaster in Kellogg, Idaho, the Sunshine Mine, a silver mine, and 91 people were killed. At that time, there was great concern in the Congress, the First Session of the 93d Congress, three bills were introduced that would have completely reformed mine safety legislation in this field.

Also, the Department of the Interior has been working on a bill but they keep going back to the drawing board. I guess it will be introduced this session of Congress, I do not know. But all of that legislation, potential legislation, has just laid around and no action has been taken. I suppose if Congress wanted to do something that would be the direction to go.

Senator STEVENS. What do you do about that legislation? We are trying to see what to do with this function because now we have a series of years in which there is a Board that meets once a year, there is an office with office expense, for you and your secretary, and it doesn't seem there is any function really that you are performing other than waiting, is there?

Mr. HALE. Yes, there is in a sense. The closing of a mine involves a substantive right and there has to be available to the mine operator and opportunity for a hearing or the requirements of due process are not met.

Senator STEVENS. We appreciate that. No one has any question, at least I don't, about the continued existence of the Board and the continued existence of the mechanism to bring the Board to a meeting if there is an appeal. But it does seem this inactive standby arrangement you have involving some expenditures has no utility until you have an appeal.

Mr. HALE. Right.

Senator STEVENS. My question is, Is there anything that could be done with your office, your secretary, and yourself, in terms of performing some service for the mining community, that would still be consistent with your task in the event there was an appeal?

Mr. HALE. Really, offhand I can't think of anything. We would be more than happy to——

Senator STEVENS. What is your background?

Mr. HALE. I am an attorney, that is my background. I am not a mining engineer or anything of that nature.

Senator STEVENS. You are an attorney?

Mr. HALE. Yes.

ALTERNATIVE SERVICES

Senator STEVENS. I will discuss it with the chairman of the committee. I am sure he has some views on it. But I would think we could find some task that you could perform with so many things going on in this field right now. Hopefully, we could find some task so that your office

could be useful in the interim period. Would that meet with your displeasure?

Mr. HALE. Of course not. It would not at all. As long as the Government is paying me a salary, I would be willing to accept any duties consistent with my service to the Board.

Senator STEVENS. The problem is to know what to do with your time as you wait, isn't it?

Mr. HALE. This is the problem. How can I be of service to the Board and be available and yet be of service to some other agency in some way that would meet with the Board's satisfaction.

Senator STEVENS. I think there are some things that need to be known to Members of Congress about giving us some indication of what some of these bills might do to the existing mine safety requirements. We seem to have a shortage of the assistance of people who are familiar with the mining industry here in the Congress.

I will discuss it with the chairman. We will certainly do what we can to find some function. It is just a matter of time until someone really attacks this appropriation.

Mr. HALE. It has been attacked. I don't want you to think that it has not been.

Senator STEVENS. I mean successfully.

Mr. HALE. You mean by way of legislation?

Senator STEVENS. I mean by way of cutting it out of the appropriations bill. I think we should have a standby Board and have you and your secretary there in case there is an appeal, and provide the due process. On the other hand, we have to have something to give to your office so that it is an ongoing responsibility commensurate with maintaining an office.

We will be in touch with you. I will ask Mr. Dyer to report to you on our conversation. I will talk to the chairman before the year is out.

PERSONNEL INCREASES

I don't have any other questions. You don't have any indication that there are any cases coming up now, do you? Do you have an indication you are going to increase to three positions this year?

Mr. HALE. We are certainly not increasing.

Senator STEVENS. The personnel summary attached to your justification, I am told, shows an increase in the average employment from two to three positions.

Mr. HALE. No additional personnel are required in fiscal year 1976. The figure should remain at two, not three, as it is erroneously displayed.

APPEAL PROCEDURE

Senator STEVENS. How much time does law allow the Board to respond to any appeal?

Mr. HALE. Section 11(c) of the Federal Metal and Nonmetallic Mine Safety Act of 1966 provides "Immediately upon the filing of * * * an application the Board shall fix the time for a prompt hearing thereof." Section 10(i) provides "In view of the urgent need for prompt decision on matters submitted to the Board under this section, all action which the Board is required to take under this section shall

be taken as rapidly as practicable, consistent with adequate consideration of the issues involved."

The Board in its procedural regulations (30 CFR, part 400) has attempted to provide an adequate means to meet the requirements of the act.

Senator STEVENS. Is there some standby arrangement that could be established without going to an amendment of the basic law?

Mr. HALE. If you mean creating a situation to avoid dead time and office space, I think the only problem would be that such an arrangement must not conflict in any way with the Board's ability to perform its basic function prescribed by statute.

ALTERNATIVES

Senator STEVENS. Thank you very much. We understand your frustration. We would like to see people take advantage of the system. Perhaps it is good news that they do not; I don't know.

Mr. HALE. It might be good, but I don't think the safety statistics are terribly encouraging either.

Senator STEVENS. Again, we are sorry to keep you to last. We appreciate your presenting your report.

SUBCOMMITTEE RECESS

The subcommittee will stand in recess until 10 a.m. Monday morning when we will hear Emergency Employment Appropriation estimates.

[Whereupon, at 11:45 a.m., Thursday, March 13, the subcommittee was recessed, to reconvene at 2 p.m., Wednesday, March 19.]

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1976

WEDNESDAY, MARCH 19, 1975

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

The subcommittee met at 2 p.m. in room 1224, Everett McKinley Dirksen Office Building, Hon. Ted Stevens, presiding.

Present: Senator Stevens.

DEPARTMENT OF INTERIOR

TERRITORIAL AFFAIRS

TRUST TERRITORY OF PACIFIC ISLANDS

STATEMENTS OF:

EMMETT M. RICE, ACTING DIRECTOR OF TERRITORIAL AFFAIRS, DEPARTMENT OF THE INTERIOR

EDWARD E. JOHNSTON, HIGH COMMISSIONER, TRUST TERRITORY OF THE PACIFIC ISLANDS

FRANCIS M. WILES, DIRECTOR OF BUDGET OFFICE OF THE SECRETARY

HEARINGS SCHEDULE

Senator STEVENS. Good afternoon. We have had to rearrange the original schedule for the territories budgets, making it necessary to hear the trust territory and the administration of territories budgets on separate afternoons. We will hear the trust territory today and the balance tomorrow. That will include American Samoa, which is having great difficulties because of a severe drought and related problems. We will get into that tomorrow, as I said.

BIOGRAPHY AND PREPARED STATEMENT

Right now, we will hear first from Emmett Rice, Acting Director of Territorial Affairs. He will summarize the total territorial affairs budget of $106 million, an increase of $28.4 million over current appropriations. Mr. Rice, since this is your first appearance before this committee your biographical sketch will be included in the record along with your full statement.

Since we have two very controversial bills on the floor, I don't think any of my colleagues will be joining me. The chairman extends his apologies to you. I know he is involved on the floor, and you will

proceed to make the record, so as to justify these requests, if we can.
[The biography and statement follow:]

EMMETT M. RICE—BIOGRAPHICAL DATA

Retail furniture store owner and operator '59 to '63;
Pre-Med, University of Oklahoma '52 to '57;
LLB, Oklahoma City University '63;
Private law practice, Oklahoma City, Oklahoma;
Farming and Ranching Real Estate Investment '63 to '73;
Hearings Officer and Land Law Examiner, Trust Territory Government '73 to '74;
Deputy Chairman, Joint Land Committee, Office of Micronesian Status Negotiations '74;
Staff Assistant for Micronesian Affairs and Status Negotiations '74 to '75;
Advisor to U.S. Delegation for Micronesian Status Negotiations and member U.S. Delegation and member of Interagency Working Group '74 to '75;
Acting Director of Territorial Affairs January '75 to present.

STATEMENT OF EMMETT M. RICE

Mr. Chairman: I am honored to appear, for the first time, before this Committee and would like to touch upon some of the events of the past year which, to say the least, has been filled with changes affecting the territories. Guam elected a new Governor in November as did the Virgin Islands. Your former colleague from North Carolina's 8th District, Earl B. Ruth was appointed Governor of American Samoa and assumed his duties only last month, as did Mr. James Defenbach, the new Comptroller in the Virgin Islands.

Also the Senate Committee on Interior and Insular Affairs recently concluded extensive oversight hearings on the TTPI with particular attention to Public Works related matters.

As respects the U.S. political status negotiations with the Northern Marianas, I am pleased to inform the Committee that a convenant was signed in February which, if approved by plebiscite and the U.S. Congress, will serve as the basis for the Northern Marianas joining the American political family as a commonwealth.

In Guam and the Virgin Islands our role continues to be as liaison with other Federal agencies as requested by the Governors and we exercise supervision over the Government comptrollers who, in addition to performing management audits, also issue an annual report on the fiscal condition of the respective governments. The reports for Guam and the TTPI have just been completed and copies have been furnished to the Committee.

We are requesting $1,000,000 this year under P.L. 90–601 "Guam Development Act of 1968," which will be used, as in the past, to promote small locally-owned and operated businesses.

Last year the Director of Territorial Affairs reported to the Committee that, as announced by Secretary Morton, a joint review of all aspects of the Federal/Guam relationship would get under way.

We had hoped to have a progress report for the Committee but former Governor Camacho preferred to hold off on the review until the election was over. As he was not reelected, we will now consult with Governor Bordallo on this matter and will keep you apprised of developments as they occur.

Turning to American Samoa, and Governor Ruth will further elaborate, this has not been a banner year nor we expect FY 1976 to be much more than a holding action. A drought, generator problems coupled with inflation and large freight increases, have forced a curtailment in operations, and a virtual shutdown in construction with the same in sight for FY 1976 while American Samoa recovers. The $14,000,000 we request is essentially what was appropriated last year with the bulk going to education and health services.

Turning now to the Trust Territory, we are requesting $81 million this coming year, a significant increase from the roughly $60 million annual appropriations since 1971. Authorizing legislation is now pending before the Congress with hearings scheduled for March 25. The increases will provide an accelerated CIP program. Under the $60 million ceiling the TT Government has had to put more dollars into operations to provide basic social programs. Naturally with increased personnel necessary to staff completed capital improvements, coupled with between 7%–15% inflation per year, the money left to provide capital im-

provements keeps diminishing. Within the $80 million, operations will be increased $4 million and construction almost $15 million.

Additionally, $10 million is requested to provide money for war claims under P.L. 92-39. This, along with $8,600,000 in the transition quarter will complete the total $20 million obligation for Title II claims.

Finally the Department asks your support for pending legislation which would provide an ex-gratia payment to the people of Bikini who were moved in 1946 to provide the U.S. with a nuclear testing ground. Although funds have been included in the President's budget to rehabilitate and resettle Enewetak Atoll, the Department of Defense has not been able to secure approval for their portion of the clean-up task, and we are not prepared to discuss this proposal at this time.

This concludes my prepared statement, Mr. Chairman, and I would be pleased to answer any questions you or the members of the Committee may have.

STATEMENT OF ACTING DIRECTOR OF TERRITORIAL AFFAIRS

Mr. RICE. We have with us today, representing the Congress of Micronesia, Senator Bailey Olter of Ponape, Representative Raymond Setik of Truk, the cochairmen of the Joint Committee on Program and Budget Planning; Representative Ataji Balos, Marshalls Islands; and their staff assistant, Mr. Stephen Miller.

Assisting me are Mr. Juan Sablan, our executive officer and former administrator of the Truk district; Mr. Leonard Aguigui, our district administrator for Yap; Mr. Tom Crossan, our program and budget officer; and Mr. Bill Quinn, our program analyst.

EVENTS OF PAST YEAR

I am honored to appear for the first time before this committee and would like to touch upon some of the events of the past year which, to say the least, has been filled with changes affecting the territories. Guam elected a new Governor in November, as did the Virgin Islands. Your former colleague from North Carolina's Eighth District, Earl B. Ruth, was appointed Governor of American Samoa and assumed his duties only last month, as did Mr. James Defenbach, the new comptroller in the Virgin Islands.

Also the Senate Committee on Interior and Insular Affairs recently concluded extensive oversight hearings on the TTPI with particular attention to public works related matters.

As respects the U.S. political status negotiations with the Northern Marianas, I am pleased to inform the committee that a convenant was signed in February which, if approved by plebiscite and the U.S. Congress, will serve as the basis for the Northern Marianas joining the American political family as a commonwealth.

In Guam and the Virgin Islands our role continues to be as liaison with other Federal agencies as requested by the governors, and we exercise supervision over the government comptrollers who, in addition to performing management audits, also issue annual reports on the fiscal condition of the respective governments. The reports for Guam and the TTPI have just been completed and copies have been furnished to the committee.

GUAM

We are requesting $1 million this year under Public Law 90-601, Guam Development Act of 1968, which will be used, as in the past, to promote small locally owned and operated businesses.

Last year the director of territorial affairs reported to the committee that, as announced by Secretary Morton, a joint review of all aspects of the Federal/Guam relationship would get underway. We had hoped to have a progress report for the committee but former Governor Camacho preferred to hold off on the review until the election was over. As he was not reelected, we will now consult with Governor Bordallo on this matter and will keep your apprised of developments as they occur.

AMERICAN SAMOA

Turning to American Samoa, and Governor Ruth will further elaborate, this has not been a banner year; nor do we expect fiscal year 1976 to be much more than a holding action. A drought, generator problems coupled with inflation and large freight increases, have forced a curtailment in operations, and a virtual shutdown in construction with the same in sight for fiscal year 1976 while American Samoa recovers. The $14 million we request is essentially what was appropriated last year with the bulk going to education and health services.

TRUST TERRITORY

Turning now to the trust territory, we are requesting $81 million this coming year, a significant increase from the roughly $60 million annual appropriations since 1971. Authorizing legislation is now pending before the Congress with hearings scheduled for March 25. The increase will provide an accelerated CIP program.

Under the $60 million ceiling the trust territory government has had to put more dollars into operations to provide basic social programs. Naturally, with increased personnel necessary to staff completed capital improvements, coupled with between 7 to 15 percent inflation per year, the money left to provide capital improvements keeps diminishing. Within the $81 million, operations will be increased $4 million and construction almost $16 million.

Additionally, $10 million is requested to provide money for war claims under Public Law 92–39. This, along with $8,600,000 in the transition quarter will complete the total $20 million authorization for title II claims.

RELATED PROGRAMS

Finally, the Department asks your support for pending legislation which would provide an ex-gratia payment to the people of Bikini who were moved in 1946 to provide the United States with a nuclear testing ground. Although funds have been included in the President's budget to rehabilitate and resettle Enewetak Atoll, the Department of Defense has not been able to secure approval for their portion of the cleanup task, and we are not prepared to discuss this proposal at this time.

This concludes my prepared statement, Mr. Chairman, and I would be pleased to answer any questions you or the members of the committee may have.

Senator STEVENS. Thank you, Mr. Rice. That is a roll call on the floor. This will be a good time for me to go over and vote. We will be interrupted throughout the afternoon, unfortunately.

I might add that we can only continue these hearings as long as no one objects. We had one session scheduled and there was an objection. We will continue the hearings to get answers to questions my colleagues have for you.

So when I return we will continue. We will stand in recess for a few moments.

[Brief recess taken.]

TRUST TERRITORY FISCAL YEAR 1976 BUDGET

Senator STEVENS [resuming]. Now, the budget estimates of the Trust Territory of the Pacific Islands total $81 million for fiscal 1976, a sizable increase of $19.3 million over current appropriations.

The trust territory is also asking for a large supplemental appropriation for the current year. Both increases require authorizing legislation.

We will have to question on these requests separately since they will be printed in separate documents. The justifications will be printed in the record in each instance.

[Fiscal year 1976 estimates are in part 1, pp. 839–1012.]

Senator STEVENS. Have all of the people with you been introduced, Commissioner?

Commissioner JOHNSTON. All except two, Mr. Chairman. I have with me our new trust territory executive officer, the former Truk district administrator, Mr. Juan Sablan, and the district administrator of the Yap District, Mr. Aguigui. The others have been introduced.

PREPARED STATEMENT

Senator STEVENS. Your full statement will be put in the record and you may proceed at this time.

[The statement follows:]

Mr. Chairman:

We welcome this opportunity to appear here today to explain, and justify to the best of our ability, the $81 million dollars requested for the support of the Trust Territory Government (exclusive of the Legislative Branch which derives it's support entirely from revenues raised in Micronesia) during Fiscal Year 1976. This request, which is $19.3 million more than the appropriation of $61.7 million for the current year consists of $25 million required to support our Capital Improvement Program, $55 million required to support our operation, and $1 million for the Economic Development Loan Fund.

Capital Improvement Program

The largest part of the $19.3 million increase requested, in fact more than 82 percent of it, is a $15.8 million increase required to accelerate the Trust Territory's Capital Improvement Program in a concerted effort to meet the basic infrastructure needs of the people of Micronesia. The largest part of that program is the $11.6 million (more than 46 percent of the total requested) required for the construction of vitally necessary transportation and communications facilities such as roads, docks and harbors, airfields and radio and telephone systems. The second largest item is $3.9 million for water, sewer and power utilities urgently needed at various locations in each district of the Trust Territory. Resources and development projects, for which $2.8 million are requested, provide facilities required for the development of agriculture and fishing to boost Micronesia's economic base. The $2 million requested for education facilities is necessary to meet the requirements of the growing numbers of students in the elementary and secondary schools. Public health facility requirements total $1.7 million, the largest part of which is required for the purchase of equipment for the new hospitals programmed for the Yap and the Ponape Districts. A total of $1.2 million is required for support of the Design/Engineering and the Contract Construction Administration divisions of the Public Works Department, separately funded for the first time in FY 1976 rather than from charges assessed construction projects as heretofore. The balance of our $25 million request for construction programming in FY 76, nearly $2 million, consists of : $948,000 for community development facilities: $916,000 for maintenance and rehabilitation facilities and $126,000 for legal affairs facilities. Each of the many individual projects to be funded in FY 76 are separately described in our budget justifications submitted to the Committee, and we are prepared to go into as much detail on each project, and the construction program as a whole, as the members of the Committee may feel would be useful.

Operations Program

The remaining part of the $19.3 million increased funding requested for the Trust Territory for FY 76 is the additional $4.2 million over the current year appropriation required to support our operating programs. As in the past, our largest operating program cost in FY 76 is our Education program for which $13.4 million, or more than 24 percent of the total, is required to serve our ever growing student population which we estimate will total nearly 36,000 in FY 76. The second largest operating program, Public Works, which is responsible for the maintenance of the Trust Territory's buildings, roads, airfields, vehicles and other facilities and equipment as well as the operating and maintenance of

its utility systems, requires 21.4 percent, or $11.8 million, of our operations funds requested for FY 76. The Health Services program, which provides medical and dental services in 6 district center hospitals, 3 sub-district center small hospitals and 171 dispensaries, requires $8.7 million, or nearly 16 percent of our FY 76 operating funds. Costs for Administration of the Trust Territory in FY 76 are estimated at $5.9 million which is 10.8 percent of the funds requested for operations. The next largest operating program, Resources and Development, for which $5.7 million is required for FY 76, is the focal point for assisting Micronesia in developing its economic base so that its future self-government will be largely economically self-sufficient. The lifeline of the Trust Territory, its Transportation and Communication system, requires $3.8 million in FY 76 to provide these vital services. A total of $2.9 million is required in FY 76 to provide protection to Persons and Property, the program which provides necessary legal services to maintain law and order in the Trust Territory. The Public Affairs program, by which the Trust Territory government seeks to assist the Micronesians to understand and participate in the affairs of their government at the territorial, district and municipal levels, requires a $1.7 million support level in FY 76. The remaining $1.1 million balance of our FY 76 operations funding request consists of $461,100 for the High Commissioner's office, $431,600 for the High Court in the judiciary branch of our government, and $225,000 for audit services provided the Trust Territory by the Guam Federal Comptroller's office. Again, each of these programs and their sub-programs are separately described in our budget justifications submitted to the Committee, and we would be pleased to go into as much detail on each program as the Committee members may feel would be useful.

Offsetting Decrease

It might be noted that, while our operations program increase is $4.2 million and the capital improvement program increase is $15.8 million, our total requested increase is not $20 million but $19.3 million. The $.7 million difference is due to the fact that no funds are being sought for Categorical Assistance programs in FY 76. Until the disposition of, or funding allocations for, several Federal Grant programs in which the Trust Territory has participated is settled at the Federal level, the amount of funds required to replace reduced or terminated grants will not be known.

Related Items

There are four Trust Territory related budget requests for FY 76 which are not part of the appropriation authority requested for our Operations and Construction programs. Two of these, the Economic Development Loan Fund and the Micronesian Claims Fund, however, are included in our budget justification presentation for FY 76. The other two, the Bikini ex-gratia payment and the Eneweta'k Rehabilitation Program, are not included in our justifications as legislation is now pending on both. With regard to the Economic Development Loan Fund, the $1 million requested for FY 76 is the final increment of the $5 million capitalization of the fund authorized by Public Law 92-257. Completing the capitalization of the fund will make possible the granting of about $5.8 million in direct loans and $7 million in loans made by commercial banks pursuant to an EDLF guaranty. Emphasis will continue on making loans for marine resources, agriculture and tourism purposes. Pursuant to the provisions of Title II of Public Law 92-39, $10 million is

requested for FY 76 for ex-gratia payments to Micronesians who suffered damages for the time the islands were secured during World War II until July 1, 1951. All claims must be adjudicated, appeals heard, and releases signed by October 15, 1976, when the Claims Commission expires.

The Bikini ex-gratia payment and the Enewetak rehabilitation authorization and appropriation requests are proposed for later transmittal, but we would like to address them at this time. It is proposed that $2,270,000 be appropriated and paid into a trust fund for the use and benefit of, and distribution to persons who possess rights in the Bikini Atoll as compensation for damages suffered as a result of the use of their atoll for nuclear weapons testing purposes. This would be similar to the payment made to the people of Enewetak who endured similar circumstances. With regard to the Enewetak Rehabilitation Program, it is proposed that $3.5 million be appropriated as the first increment of an estimated cost of $12 million required to rehabilitate the Enewetak Atoll so that the people of Enewetak can return from the islands to which they were relocated so that their atoll could be used for nuclear weapons testing purposes. It is anticipated that the authorizations and appropriation requests for both these items will be transmitted to the Congress at an early date.

This completes my opening statement, Mr. Chairman. We welcome the opportunity to discuss our Fiscal Year 1976 funding requirements for the Trust Territory and believe we are fully prepared to be completely responsive to the Committee's need to examine these requirements in as much detail as time permits.

TRUST TERRITORY FISCAL YEAR 1976 BUDGET SUMMARY

Commissioner JOHNSTON. Our budget request is for $55 million to support our operations program, $25 million for our capital improvements program and $1 million for the final increment for the capitalization of our economic development loan fund. This is a total, as Mr. Rice has said, of $81 million.

CAPITAL IMPROVEMENT PROGRAM

The largest part of the $19.3 million increase requested, in fact more than 82 percent of it, is a $15.8 million increase required to accelerate the trust territory's capital improvement program in a concerted effort to meet the basic infrastructure needs of the people of Micronesia. The largest part of that program is the $11.6 million—more than 46 percent of the total requested—required for the construction of vitally necessary transportation and communications facilities such as roads, docks and harbors, airfields and radio and telephone systems.

The second largest item is $3.9 million for water, sewer, and power utilities urgently needed at various locations in each district of the trust territory. Resources and development projects, for which $2.8 million are requested, provide facilities required for the development of agriculture and fishing to boost Micronesia's economic base.

The $2 million requested for education facilities is necessary to meet the requirements of the growing numbers of students in the elementary and secondary schools. Public health facility requirements total $1.7 million, the largest part of which is required for the purchase of equipment for the new hospitals programed for the Yap and the Ponape Districts.

A total of $1.2 million is required for support of the design/engineering and the contract construction administration divisions of the public works department, separately funded for the first time in fiscal year 1976.

The balance of the request, nearly $2 million, consists of: $948,000 for community development facilities; $916,000 for maintenance and rehabilitation facilities and $126,000 for legal affairs facilities.

Each of the many individual projects to be funded in fiscal year 1976 are separately described in our budget justifications submitted to the committee, and we are prepared to go into as much detail on each project, and the construction program as a whole, as the members of the committee may feel would be useful.

OPERATING PROGRAMS

The remaining part of the $19.3 million increased funding requested for the trust territory for fiscal year 1976 is the additional $4.2 million over the current year appropriation required to support our operating programs.

As in the past, our largest operating program cost in fiscal year 1976 is our education program, for which $13.4 million, or more than 24 percent of the total, is required to serve our ever-growing student population which we estimate will total nearly 36,000 in fiscal year 1976.

The second largest operating program, public works, which is responsible for the maintenance of trust territory's buildings, roads, airfields, vehicles and other facilities and equipment as well as the operating and maintenance of its utility systems, requires 21.4 percent, or $11.8 million, of our operations funds requested for fiscal year 1976.

The health services program, which provides medical and dental services in six district center hospitals, three subdistrict center small hospitals and 171 dispensaries, requires $8.7 million, or nearly 16 percent of our fiscal year 1976 operating funds.

Costs for administration of the trust territory in fiscal year 1976 are estimated at $5.9 million, which is 10.8 percent of the funds requested for operations.

The next largest operating program, resources and development, for which $5.7 million is required for fiscal year 1976, is the focal point for assisting Micronesia in developing its economic base so that its future self-government will be largely economically self-sufficient. The lifeline of the trust territory, its transportation and communication system, requires $3.8 million in fiscal year 1976 to provide these vital services.

A total of $2.9 million is required in fiscal year 1976 to provide protection of persons and property, the program which provides necessary legal services to maintain law and order in the trust territory. The public affairs program, by which the trust territory government seeks to assist the Micronesians to understand and participate in the affairs of their government at the territorial, district and municipal levels, requires a $1.7 million support level in fiscal year 1976.

The remaining $1.1 million balance of our fiscal year 1976 operations funding request consists of $461,000 for the High Commissioner's office, $431,600 for the high court in the judiciary branch of our government, and $225,000 for audit services provided the trust territory by the Guam Federal Comptroller's Office.

Again, each of these programs and their subprograms are separately described in our budget justifications submitted to the committee, and we would be pleased to go into as much detail on each program as the committee members may feel would be useful.

CATEGORICAL ASSISTANCE PROGRAMS

It might be noted that, while our operations program increase is $4.2 million and the capital improvement program increase is $15.8 million, our total requested increase is not $20 million but $19.3 million. The $0.7 million difference is due to the fact that no funds are being sought for categorical assistance programs in fiscal year 1976. Until the disposition of, or funding allocations for, several Federal grant programs in which the trust territory has participated is settled at the Federal level, the amount of funds required to replace reduced or terminated grants will not be known.

RELATED BUDGET REQUESTS

There are four trust territory related budget requests for fiscal year 1976 which are not part of the appropriation authority requested for our operations and construction programs. Two of these, the economic

development loan fund and the Micronesian claims fund, however, are included in our budget justification presentation for fiscal year 1976. The other two, the Bikini ex-gratia payment and the Enewetak rehabilitation program, are not included in our justifications as legislation is now pending on both.

ECONOMIC DEVELOPMENT LOAN FUND

With regard to the economic development loan fund, the $1 million requested for fiscal year 1976 is the final increment of the $5 million capitalization of the fund authorized by Public Law 92–257. Completing the capitalization of the fund will make possible the granting of about $5.8 million in direct loans and $7 million in loans made by commercial banks pursuant to an EDLF guaranty. Emphasis will continue on making loans for marine resources, agriculture and tourism purposes.

WAR CLAIMS PAYMENTS

Pursuant to the provisions of title II of Public Law 92–39, $10 million is requested for fiscal year 1976 for ex-gratia payments to Micronesians who suffered damages for the time the islands were secured during World War II until July 1, 1951. All claims must be adjudicated, appeals heard, and releases signed by October 15, 1976, when the Claims Commission expires.

BIKINI EX-GRATIA PAYMENT

The Bikini ex-gratia payment and the Enewetak rehabilitation authorization and appropriation requests are proposed for later transmittal, but we would like to address them at this time. It is proposed that $2,270,000 be appropriated and paid into a trust fund for the use and benefit of, and distribution to persons who possess rights in the Bikini Atoll as compensation for damages suffered as a result of the use of their atoll for nuclear weapons testing purposes. This would be similar to the payment made to the people of Enewetak who endured similar circumstances.

ENEWETAK REHABILITATION PROGRAM

With regard to the Enewetak rehabilitation program, it is proposed that $3.5 million be appropriated as the first increment of an estimated cost of $12 million required to rehabilitate the Enewetak Atoll so that the people of Enewetak can return from the islands to which they were relocated so that their atoll could be used for nuclear weapons testing purposes. It is anticipated that the authorizations and appropriation requests for both these items will be transmitted to the Congress at an early date.

This completes my opening statement, Mr. Chairman. We welcome the opportunity to discuss our fiscal year 1976 funding for the trust territory and believe we are fully prepared to be completely responsive to the committee's need to examine these requirements in as much detail as time permits.

We wish to give our regards to the chairman and we look forward to working with the committee under the same pleasant relationship we have had with Senator Bible for the last few years.

CONGRESS OF MICRONESIA WITNESSES

That concludes my remarks but Mr. Bailey Olter of Micronesia has a statement which he would like to give if we may.

Senator STEVENS. Does he have a prepared statement?

Commissioner JOHNSTON. He has a prepared statement and I believe it has been submitted for the record. The submission may have been made under the name of Raymond Setik.

Senator STEVENS. Yes, we do have that. We would be pleased to have the statement of these cochairmen at this time, Mr. Johnston.

Gentlemen, would you like to join the Commissioner at this time and we can address questions to all of you. Welcome to Washington. I recall the courtesy extended to us with the two trips to your area several years ago. We are happy to have you here.

STATEMENT OF MEMBERS OF CONGRESS OF MICRONESIA

Mr. OLTER. Mr. Chairman, on behalf of our congress and the people of Micronesia, we wish to thank you and the committee for giving us this opportunity to appear before you on our supplemental request for fiscal year 1975 and our request for fiscal year 1976. A more detailed written statement has been sent in and we stand ready to answer any questions that you or members of the committee may have regarding our position.

1975 SUPPLEMENTAL REQUEST

Our written statement specifically addresses itself to requirements for supplemental funds for fiscal year 1975. We understand that you do not have this request before you but we would like you to take our testimony on this matter during these hearings.

We have already testified on the supplemental request for fiscal 1975 before the Committee on Interior and Insular Affairs. Our statement also presented our justification for an increase in our budget for fiscal year 1976.

ECONOMIC SELF-SUFFICIENCY

It should be noted that Micronesia has yet to achieve even a minimal degree of sufficiency with regard to developing an economy that could support the government. Further, there has not yet been built an adequate structure to support the Micronesia citizens nor their development. This is not to say that much has not already been done, but much remains to be done.

In fiscal years 1975 and 1976 our request is for an appropriation to continue to operate the government and to develop Micronesia's economy. The allocation of the funds available for fiscal years 1975 and 1976 is fully supported by the congress of Micronesia as being the most effective use of these funds to meet the present needs of the Micronesian people.

We hope you will support our supplemental request for $15 million for fiscal year 1975 and our request for $86.6 million for 1976. These

funds are badly needed to meet the minimum requirements of the Micronesian Government for these years.

Thank you, Mr. Chairman.

PREPARED STATEMENT

Senator STEVENS. Thank you very much. Your full statement will be printed in the record, and we appreciate your appearance here today.

We have also been given a prepared statement of Mr. Ataji Balos in support of the pending request for the Bikini trust fund. It will also be included in the record.

[The statements follow:]

STATEMENT OF BAILEY OLTER

Mr. Chairman,

It is indeed an honor and a pleasure for us to appear before your Committee at these hearings on appropriations for the Trust Territory of the Pacific Islands for a supplemental request for Fiscal Year 1975 and a request for Fiscal Year 1976. We would like to discuss with you not only our requests for Fiscal Years 1975 and 1976, but also our needs for future years.

Whether the items requested as a supplemental for Fiscal Year 1975 properly belong in a supplemental request or not is something that was decided in Washington. I can, however, speak to the need for these items. The most important item in this supplemental request is $8,055,000 for four ships. When considering these ships, we urge you to consider that almost fifty percent of Micronesia's total population lives on islands 50 to 500 miles from the district centers. However, the vast majority of funds spent in Micronesia have been used for the district center populations. Water and sewer systems, airports, roads, hospitals, and docks have all been for the district centers. The outer islands may have gotten a few dispensaries and elementary schools, but that is about it. These ships are the only major item that has been requested for the people of the outer islands in the past years.

Without these ships, the people who live in the outer islands are cut off from the outside world. They can not sell their produce or purchase needed commodities. These ships are their lifeline. The only visible part of both the United States and Micronesian governments for these people are the field trip ships. The views of these people regarding the government, naturally, are directly related to the regularity and quality of the field trip service. These ships are from ten to forty years old and replacement parts for many of them are no longer available. Further, the facilities on these ships do not meet even minimum standards of sanitation. In recent years, we have had as many as four of these ships out of service at one time. This situation severely restricts the regularity of field trip service to the people. It also makes emergency service questionable, thereby endangering the very lives of these people. This is especially true since the Defense Department has terminated the sea/air rescue program for Micronesia. These ships are no longer capable of providing even the most minimal standards of service to 50,000 of our people. These ships have been badly needed for more than 7 years. Any further delay will cause increasing hardship to these people. These ships, Mr. Chairman, are clearly our first priority for the Fiscal Year 1975 supplemental. We sincerely hope that they will not be delayed further.

The second item concerns $150,000 -- $120,000 of which is for an economic development plan for Micronesia. I will discuss this plan more fully in the last part of my statement, but for now I would like to mention that this is a joint project of the Congress of Micronesia and the Administration. An additional $70,000 was appropriated for this project by the Congress of Micronesia.

The Congress of Micronesia also places high priority on the funds budgeted for the Yap Hospital. The funding of this hospital is truly an emergency situation considering the condition of the present hospital. The reason this additional money is needed is to cover severe cost increases that we have experienced in Micronesia. Further, most of the other items in this supplemental request have resulted from the high rate of inflation that has occurred in Micronesia.

Our request for Fiscal Year 1976 is for $86,600,000, which includes an inflation factor and $1,778,000 for mandatory, statutory pay increases. The figure of $80,000,000 does not include either of these items, but provides $55,000,000 for operations and $25,000,000 for capital improvement programs. The $1,778,000 for statutory pay increases has been deleted from the requested appropriation through an apparent misunderstanding. The United States Government made a proposal for funding Micronesia's Government during a transitional period. Under this proposal, certain amounts are to be made available for the operation of the government each year based on constant 1975 dollars. The High Commissioner and the Department of Interior informed us that statutory pay increases would not need to be included in the $80,000,000 appropriation request for Fiscal Year 1976, but would be included as part of an adjustment for price increases. Our budget was prepared on that basis. The Office of Management and Budget, however, evidently decided that those pay increases should indeed have been included in our regular budget, thereby reducing the level of government services which can be provided. We have already asked that our authorization be increased to include the amount necessary for these pay increases. We are also hopeful that our appropriation will include additional funds to cover these costs. If these mandatory costs are not included, a large number of Micronesians will lose their jobs which will mean reduced services to our people as well as unemployment. We also badly need the $4,822,000 to cover experienced price increases. Inflation in Micronesia has been much more severe than in the United States, partly because of high shipping rates. Other than this problem, we strongly support the budget request submitted by the Administration.

This budget was prepared first on the district level by the district administrators and then reviewed by the district legislatures. The budget is then submitted to the Headquarters departments for review and finally to the High Commissioner. The High Commissioner then submits this budget to the Congress of Micronesia, which, through its Joint Committee on Program and Budget Planning, holds extensive hearings on this budget. The Joint Committee makes recommendations which are submitted to the High Commissioner. He then submits the budget to the Department of the Interior, after which it goes to the Office of Management and Budget, and then to you. This budget has certainly been reviewed at many levels and by many people, and it does reflect the priorities of the Micronesian people for the expenditure of these limited funds. Other than the ongoing operating programs, funds are provided for badly needed classrooms, hospitals, roads, docks and ports, airfields, marine resources projects, water and power systems and other needed capital projects.

We are also requesting an additional amount of $1,000,000 for the Economic Development Loan Fund. This amount is badly needed to fund development of private industry in Micronesia. Micronesia can not develop economically without investment capital. There is very little investment capital in Micronesia, however, and these funds are about the only source of capital that many Micronesian businesses can turn to to begin or expand private businesses.

We would also like to mention that we have made a request to the authorizing committees for a special authorization to construct a campus for the Community College of Micronesia at a total cost of $8,225,248. Since we do not know the result of that request, we can not ask this Committee for an appropriation. However, we did want to mention that we have requested a special authorization for this project, which we hope can be the subject of a later appropriation.

We have always been concerned that there has never been any connection between what is needed to make Micronesia economically self-sufficient and the funds that have been made available for Micronesia. We are not asked what we need to prepare Micronesia for self-sufficiency. Most Micronesians have a general idea what they want. We want good school systems; a good health care system; availability of water, sewers and power in the population centers; good roads, docks, and airports; frequent and regular field trip service. On the other hand, we want an economy that will give all Micronesians a decent standard of living and enable us to raise enough revenue to support our government. To have this type of development in agriculture, marine resources and tourism, we need outside capital. As to the details of these needs in terms of specific projects and dollar cost, we do not have that information at this time. However, the Congress of Micronesia has taken definite steps to insure that such information will be available by next year. The Congress of Micronesia recently passed a bill to create a development plan for Micronesia. It is our position that first, we need to know what needs to be done to make Micronesia self-sufficient, second, we need to know what it will cost and third, we need to know how much of that cost can be met through locally raised revenues. The difference, of course, is the amount of assistance we hope to obtain from the United States.

Again, Mr. Chairman, we appreciate the opportunity to be here, as we hope that our goals are the same, economic development and self-sufficiency for Micronesia as soon as possible. With your continued support, we hope that goal will soon become a reality.

STATEMENT OF ATAJI BALOS

Mr. Chairman and Honorable Members of the Committee:

It is a privilege and an honor to appear before you today on behalf of the people of Bikini. Before beginning my formal statement, let me first extend greetings from the people of Bikini who wish you great success in your efforts to assist the Trust Territory through these hearings.

Mr. Chairman, in light of the objective of this Committee to examine conditions within the Trust Territory, we thought it would be appropriate to bring to your attention a lingering problem which exists for the island of Bikini, and which is indicative of many other problems throughout the Trust Territory. As you know, Mr. Chairman, in 1946 the people of Bikini agreed to give up their island so that the American government could use the Atoll to conduct a series of atomic tests for peace. We were moved from our ancestral home to the

island of Rongerik, where we stayed for a brief time, but were moved again and eventually resettled on the small island of Kili. Over the years we have remained on Kili, but have never abandoned our desire to move back to Bikini. Kili has proven to be less habitable than Bikini, because the island is much smaller than Bikini, the fishing is poor, and we have been unable to provide sufficient food for the people.

In 1968 the President announced that Bikini could be rehabilitated and that we could finally move back to our home. While we are grateful for this opportunity, it is difficult to heal the wounds caused by these many years of exile.

Last April, the Magistrate of Bikini and members of the Municipal Council visited Washington and met with representatives of the Departments of Interior and Defense to request an "ex gratia" payment of $3,000,000 in recognition of the hardships suffered during these years of exile. We submitted a formal petition and a statement of justification, which are attached to this statement for your information. The Departments of Interior and Defense agreed in principle to the "ex gratia" payment and further agreed to assist us in drafting a bill and presenting it to Congress. Such a measure has now been drafted and will be presented to this Committee sometime during this session.

While this is neither the time nor the place to address the specific facts of the Bikini case, we thought it appropriate in light of the oversight and authorization functions of this Committee, to apprise the Committee of our request for an "ex gratia" payment. As you may know, the people of Enewetak, whose island was also taken for atomic testing, were given a similar payment in 1970. The Bikini people feel they too deserve such a payment, and respectfully request the support of this Committee.

BIKINI ISLAND VISITING MISSION
ON AN "EX GRATIA" PAYMENT

PETITION FOR AN "EX GRATIA" PAYMENT OF
THREE MILLION DOLLARS TO THE PEOPLE OF BIKINI

WHEREAS, for the peace and welfare of all mankind the people of Bikini for the past twenty-seven years have sacrificed greatly; and

WHEREAS, in 1946, at the direction of the Military Governor of the Marshall Islands the people of Bikini relinquished their homes and moved to the island of Kili; and

WHEREAS, since the end of World War II and up to 1969, the island of Bikini has been used by the United States Government as a testing facility for atomic weapons; and

WHEREAS, because of the availability of Bikini as an atomic testing site, the United States Government has been able to maintain its lead in nuclear weapons, and protect the peace of the world and the hopes of mankind; and

WHEREAS, during this twenty-seven year period the people of Bikini have remained on Kili, an island in the southern part of the Marshall Islands, they have experienced great longing to return to their homeland and desire to return when the island is safe and the repair work completed; and

WHEREAS, during this period the people of Bikini have suffered great hardships because of absence from their native land; and

WHEREAS, the people of Enewetak were also compelled to abandon their island in 1947, one year after

the people of Bikini left Bikini; and

WHEREAS, the people of Enewetak also have suffered great hardship as a result of this forced migration; and

WHEREAS, in 1970 the Department of Defense, in recognition of the suffering endured by the Enewetakese, made an "ex gratia" payment in the amount of $1,020,000 to the Enewetak people; and

WHEREAS, such "ex gratia" payment was well deserved by the people of Enewetak; and

WHEREAS, the people of Bikini, being the first group to leave their homeland during the years of atomic testing, have suffered at least equally to the people of Enewetak; and

WHEREAS, the people of Bikini deserve the same fair treatment that has been accorded to the Enewetakese; and

WHEREAS, over four years have passed since the payment was made to the people of Enewetak, and no payment has yet been made to the people of Bikini; and

WHEREAS, the Bikini people feel that based upon the Enewetak payment, as suitably adjusted for time and population differences, an "ex gratia" payment of $3,000,000 is due to the Bikini people; and

WHEREAS, in the Statement of Justification, attached to this Resolution, reasons are given in support of the $3,000,000 payment; now, therefore

BE IT RESOLVED, by the people of Bikini, through their duly elected island officials, that the United States Government, the Department of Defense, the Atomic Energy

Commission, and the Department of Interior, Office of Territories, are hereby requested to grant to the Bikini people an "ex gratia" payment of $3,000,000 to be delivered to the people within six months following the date this Petition is signed and delivered to the United States Government.

BE IT FURTHER RESOLVED, that copies of this Petition be delivered to the Office of the President, United States Senate, the Speaker of the House of Representatives, the Department of Defense, Office of International Security Affairs, the Department of Interior, Office of Territories, the Atomic Energy Commission, the Congress of Micronesia, the High Commissioner of the Trust Territory, and the Marshall Islands Nitijela.

BE IT FURTHER RESOLVED, that this Petition has been duly authorized by the people of Bikini.

Love Kejibuki
Magistrate Love Kejibuki

Nathan Note
Scribe Nathan Note

Moses Lewaj
Councilman Moses Lewaj

Ataji Balos
Congressman Ataji Balos

April 10, 1974

STATEMENT OF JUSTIFICATION
FOR AN "EX GRATIA" PAYMENT OF $3,000,000

It is well known that in 1969 the people of Ujelang received a $1,020,000 "ex gratia" payment from the Department of Defense for suffering endured during twenty-five years of forced exile on Ujelang. The Bikini people feel that our suffering has been at least as severe as that endured by the Ujelangese.

In a meeting with the representatives of the Office of Territories, Department of Interior, and the High Commissioner of the Trust Territory on April 3, 1974, Mr. Russell Carpenter, Director of the Office of Territorial Affairs, stated that he fully supported the demands of the Bikini people for a fair and equitable "ex gratia" payment. Though our right to payment is not in issue, uncertainty remains as to the precise amount of the payment.

As noted in the attached Petition, we believe that a fair sum for the "ex gratia" payment is $3,000,000. We begin with the fact that $1,020,000 was accorded to the people of Ujelang over four years ago. It is clear on the basis of a number of factors that our payment should be substantially higher than that made to the Ujelangese. First and most important, there are approximately 750 Bikinians, whereas there are only approximately 400 Ujelangese.

Second, the people of Ujelang were paid their sum of $1,020,000 over four years ago, and thus have been accruing interest for over four years. This "lost" in-

terest should be included in the payment made to the Bikinians.

Third, since 1969 when the people of Ujelang received their payment, inflation has been rampant in the Trust Territory. For example, a can of corned beef cost 75 cents in 1969 whereas today the same can costs more than twice that amount ($1.60). In 1969 a twenty-five pound bag of rice was $3.00, whereas today it is more than three times that amount ($9.00). In 1969 fresh fish sold for 25 cents per pound, whereas today the cost is more than 80 cents per pound.

Fourth, even a $3,000,000 payment will not satisfy the per capita earning needs of the Bikini people. For example, if the $3,000,000 "ex gratia" payment is invested at a 4% per year rate of return, the amounts which will be realized by individual Bikinians will still be less than $15.00 per month.

It is, of course, difficult to quantify with precision the dollar value of the hardships suffered by the Bikini people over the past twenty-seven years. Nevertheless, based on the factors cited above, we believe $3,000,000 is an appropriate sum in light of the $1,020,000 received by the Ujelangese. Since four years have already passed since the Ujelangese received their payment, we believe our payment should be made within six months of the date of the attached Petition. Within ninety days of the date of the Petition a firm written response to this request for a $3,000,000 "ex gratia" payment should be given to the Bikini people. As a

further gesture of good will, a letter of understanding should be executed immediately by the undersigned representatives of the Bikini people and representatives of the United States Government signifying a commitment by the United States that (a) within three months of the date of the Petition it will answer the Bikinians' request for an "ex gratia" payment, and (b) within six months of the same date, if the request is approved, the "ex gratia" payment will be made to the Bikini people forthrightly.

Magistrate Love Kejibuki

Scribe Nathan Note

Councilman Moses Lewaj

Congressman Ataji Balos

A Bill

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That there is authorized to be appropriated to the Secretary of the Interior the sum of $3,000,000, ex gratia, to be paid to the Kili/Bikini Council, Marshall Islands, Trust Territory of the Pacific Islands, in recognition of the hardship suffered by the people of Bikini due to displacement from their Atoll since 1946. Any distribution of income or principal shall be made by the Council, according to custom and tradition, to persons who possess rights in Bikini Atoll.

PROPOSED INCREASED AUTHORIZATION FOR FISCAL YEAR 1975

Senator STEVENS. The committee is aware a bill has been reported to the Senate that would reduce your $15 million supplemental request to $5,650,000. I am informed the main reason for the reduction is the Senate Interior Committee's concern over the management of public works programs in Micronesia, a concern which this committee has shared in the past. We will try to go into that problem more fully on the questioning of those 1976 estimates.

HEALTH SERVICES

First, let me give you some questions on the amounts authorized in the Senate bill since those are the most definite estimates we have at this time. I understand in health services $500,000 was listed for medical supplies because of cost increases. What is the amount that has been appropriated to date for that activity?

Commissioner JOHNSTON. The amount appropriated to date for health services for fiscal year 1975 is $7,826,126.

Senator STEVENS. What are your options if Congress were not to grant the $500,000 increase?

Commissioner JOHNSTON. There would have to be a reduction somewhere either in other health services, in the personnel or in some other program area. At the present time, Mr. Chairman, because of the increased costs which have been facing us and the delay in any action on our requested supplemental, we are instituting in the trust territory very stringent measures. At our cabinet meeting yesterday, the Deputy High Commissioner informed all of our directors there would be a freeze on any new hirings or filling of vacancies until further notice.

MEDICAL SUPPLIES AND REFERRALS

Senator STEVENS. This is medical supplies and it is related to costs.

Commissioner JOHNSTON. That is right. We have to have the medical supplies. Health care is one area that must be taken care of. If we do not get the supplemental, the money to fund that, it will have to come out of some other area. It is not exactly an optional item, as new schoolbuses or field trips might be. You can defer those, but medical supplies are what we need for our outer island dispensaries which are away from the centers and can be reached only by field trip ships or airfields; we need to keep an adequate amount of medical supplies.

Senator STEVENS. You anticipate a 12- to 15-percent increase in the cost of these medical supplies.

Commissioner JOHNSTON. Yes, sir.

Senator STEVENS. These are not additional supplies? These are what you had estimated that you had originally purchased for 1975?

Commissioner JOHNSTON. That is right. Conservative cost of drugs and medical supplies in 1972 was $700,000; in 1973, $1,209,000; and in 1974, $1,485,000. One of the other factors that has caused an increase in our total health services budget is the increase in airfares for medical evacuations. Many of our patients have to be air-evacuated by airplane, commercial airplanes, and the cost of that has gone up also.

Senator STEVENS. Does that come under the heading of medical supplies?

Commissioner JOHNSTON. Yes; that is included in the medical supplies. The correct wording of the item is for medical supplies and referrals. Again, the same is true of referrals. If a person's life is at stake and their life depends on being evacuated to Guam or Hawaii or the mainland, that is an item we have to pay for and the increased cost of airfare has boosted that quite a bit.

INCREASED FUEL COSTS

Senator STEVENS. In regard to fuel costs, there appear to be two items totaling $3.5 million under operations and maintenance to cover the fuel cost increases. Didn't we treat that subject in a prior supplemental?

Commissioner JOHNSTON. Yes, sir. As I recall, we had two supplementals in fiscal year 1974 and one of those did cover an increase in fuel costs. However, the cost of fuel continued to escalate and has increased 84 percent over the amount originally budgeted for fiscal 1975.

Senator STEVENS. Where do you obtain your fuel?

Commissioner JOHNSTON. We obtain the fuel from Mobil, which has a franchise contract with the trust territory. They normally obtain their fuel from the Philippines. At one time there was a boycott of export of any kind of petroleum product in the Philippines and they brought it in from Singapore, but it comes in from one of two sources and is brought in in their own tanker to the trust territory.

INTERISLAND SHIP COSTS

Senator STEVENS. The cost increase estimate involves $500,000 for interisland ship operations and related drydocking. Can you tell about that?

Commissioner JOHNSTON. Of this amount, $250,000 or half of the amount is required to support additional operating costs of the fleet resulting, again, from high fuel price increases as noted in the discussion under public works. Abnormal high drydocking costs required to keep these old ships in operation and increased prices in supplies and equipment are for $250,000, the balance of the request in this appropriation.

Senator STEVENS. In the supplemental, there is a request of about $8 million for ships. Is that covered by the Senate authorization?

Commissioner JOHNSTON. It is not included in S. 326, which passed the Senate. One unusual facet of this request is in the report made by the Senate committee staff members who went to Micronesia, they very strongly recommended the inclusion of these field trip ships. In fact, they felt it was a necessity that the old weatherbeaten field trip ships be replaced by the new modern field trip ships. We have one of them in operation now. The staff highly recommended we continue with the program and that this amount be included, but it has not been included in the version that passed the Senate a few days ago. We feel, as Senator Olter says, it is an extremely critical item. We are pleased the staff of the committee agreed with us on that.

Senator STEVENS. It is my understanding that bill has not passed the House yet. Now, Senator Olter, have you appeared before the House Interior Committee yet?

Senator OLTER. Not yet, but we will be reporting to the House and requesting this.

Senator STEVENS. I am sure the staff will keep us informed on that. I share your feeling about those old vessels. I hope you are successful over there.

YAP HOSPITAL CONSTRUCTION

In regard to the Yap hospital, in the supplemental, I understand you got an authorization of $1,484,000 more. The 1975 appropriation, I am told, was $2,245,000. What is the total to date for the Yap hospital?

Commissioner JOHNSTON. That $2,245,000 is the total to date.

Senator STEVENS. Why the supplemental? What has brought about the need for so large a supplemental request?

Commissioner JOHNSTON. Basically an increase in construction material and increased costs of shipping those materials.

Senator STEVENS. What is the total cost of the hospital and what is its status as far as construction? Maybe you ought to give us a statement for the committee to put in the record as to how much has been obligated to date, what your original estimate was, how much has been appropriated, and a short statement for the justification of the 60-percent increase this year. Just a short statement for the record.

Commissioner JOHNSTON. We will furnish it for the record.

Senator STEVENS. That is also related to cost increases, is that correct?

Commissioner JOHNSTON. Very definitely.

[The information follows:]

Yap Hospital

	Appropriations
F.Y. 1974 design	$150,000
F.Y. 1975 construction	2,245,000
Total appropriations	2,395,000
Obligated to date, 3/31/75	185,000

The FY 1975 budget was prepared during the summer of FY 1973. Preliminary design concepts for the Yap District hospital had been developed by that time, and it appeared that a 40-45 bed facility could be built on the site chosen for about $2.2 million, based largely on square footage and cost-per-bed construction estimates then being developed in the final design for the district hospital on Ponape.

An architectural and engineering design contract for the Yap Hospital was let in September 1973 to the firm of Mackinlay/Winnacker/McNeil. As detailed design proceeded, including on-site visits by the architects, two preliminary design concepts were proven erroneous. First, it was determined that a 50 bed hospital would better meet the long-range needs of the district and, second, it was found that the original site chosen was not acceptable to the Yapese people, since use of that site would have resulted in serious cultural problems. An alternative site was designated based on the recommendations of elected and traditional leaders. The new site is large enough and close enough to the population center, but it will require some additional earth moving because it is somewhat more hilly than the original site. These two factors alone would have made it quite difficult to build the hospital within the original $2.2 million preliminary estimate, but the project was then caught up in the rapidly rising prices for construction materials, shipping and labor experienced beginning in late CY 1973.

The designers were asked to explore the possibility of cutting costs by reducing the scope of the project through the elimination of desirable, but not absolutely essential, features of the new hospital. The surgical/obstetric care unit, being the most expensive area of a hospital to build, ordinarily would have provided the best opportunity to pare costs, but this proved infeasible because of the small scale of the Yap hospital. In a larger scale hospital, it would be possible to reduce operating rooms from five to perhaps three, but in the hospital being planned for Yap, there was only one operating room and one delivery room. The possible reductions in scope which might have been practicable would have saved less than $200,000 and had to be rejected because of the serious impairment such reductions would have made to the effectiveness of the hospital.

It became evident by the time the $2.2 million requested for the hospital in the FY 75 budget was appropriated, that it would be necessary to seek an additional $1.5 million in order to build this urgently needed hospital. In order to expedite the matter, it was necessary to seek an increase in the FY 75 authorization and request a supplemental appropriation since this would make the required funds available sooner than they would be if included in the FY 76 budget.

It should be noted, however, that we have included in our FY 76 budget request an estimate of $364,000 to purchase the collateral equipment that will be needed to complete the hospital. This makes the total cost of the hospital slightly over $4 million.

DISPENSARY CONSTRUCTION

Senator STEVENS. You have $166,000 in the Senate bill for dispensaries to meet matching requirements for Hill-Burton funds. Why is that in the supplemental instead of the regular appropriations bill? Is there some emergency with regard to that?

Commissioner JOHNSTON. It is my understanding the Hill-Burton funds are an expiring program. Unless we have these funds prior to June 30, 1975, we will lose the matching funds available under the Hill-Burton Act.

Senator STEVENS. Why were they not budgeted in the fiscal 1975 request originally? Is this the matching fund released to meet the court action?

Commissioner JOHNSTON. Yes. These funds had been temporarily impounded and could not be obligated, and when they became available we wanted to take maximum advantage in order to complete the outer island program.

MARIANAS TRANSITION PLANNING FUNDS

Senator STEVENS. The Senate bill authorizes $1.5 million for expenses in the transition of the Marianas District to commonwealth status, which would be available only upon congressional approval of the pending agreement. Do you or your colleagues have any comments about the status of those negotiations or can you tell us what the situation is?

Commission JOHNSTON. The situation is that on February 15th Ambassador Franklin Haydn Williams, representing the United States, and the membership of the Marianas Status Commission officially signed a convenant to put the Marianas in close association with the United States. Shortly after that, the covenant was presented to the Marianas District Legislature and was adopted unanimously by a vote of 16 to zero. At the present time, the covenant has been translated into the Chamorro and Carolinian languages from the original English, and a program is underway for a widespread education on the covenant.

It is anticipated, according to Ambassador Williams on the day of these signings, that a plebescite in which the citizens of the Northern Marianas can freely express their wishes will be held some time in June 1975. If the covenant is accepted, it will then, of course, be presented to the U.S. Congress for ratification.

COMMITMENT IN COVENANT FOR FEDERAL FUNDING

Senator STEVENS. What is the commitment in that for Federal funding?

Commissioner JOHNSTON. I normally refer such questions to the Office of Micronesian Status Negotiations, Mr. Chairman. For the record, it shows for each of the seven fiscal years following the effective date: $8.25 million for the budgetary support of operations, of which $250,000 each year would be reserved for a special education and training fund connected with the change of the political status; $4 million

for capital improvement projects each year, of which $500,000 each year will be reserved for such projects on the Island of Tinian, and $500,000 each year will be reserved for such projects on the Island of Rota.

EFFECT OF COVENANT ON REMAINING DISTRICTS

Senator STEVENS. How will that agreement, if it is approved, affect these other districts economically? And can you tell about future plans for these other districts?

Commissioner JOHNSTON. If the desire, again, as requested by the Marianas District and as announced by Ambassador Williams on the day of the signing, if the plebescite is successful and if the covenant is accepted by the people, the Marianas District would shortly thereafter be administered separately from the other five districts of the trust territory.

We have had to, in our preliminary budget planning, of course, take this into consideration. These other five districts are still engaged in negotiations with Ambassador Williams. Senator Olter is a member of the Joint Committee on the Future status of the Congress of Micronesia. They are still in the process of negotiating a status, known as free association, where they would become a self-governing entity in free association with the U.S. Government in which the United States would provide for Micronesian foreign affairs and defense.

This would be known as a compact of free association and has been to a great extent drafted, but there are certain sections of it that are still under active negotiation.

TIMING OF ESTABLISHMENT OF COMMONWEALTH

Senator STEVENS. What is the time frame on the Marianas agreement? Is there a date set for the final vote?

Commissioner JOHNSTON. The exact date, to my knowledge, has not been set but the target is sometime in June of 1975, just a few months from now. Following that, the Marianas District will have a constitutional convention to draw up its commonwealth constitution. The constitutional convention for the trust territory of the Pacific Islands, or whatever number of districts are to be considered by that time, will convene on Saipan on July 12, 1975.

The delegates have already been elected and a pre-convention committee has already set up a great deal of the mechanics of the convention.

Senator STEVENS. What is the impact of this on the budget request you submitted to us for fiscal 1976?

Commissioner JOHNSTON. I don't believe there would be any impact for fiscal 1976, Mr. Chairman.

ITEMS NOT INCLUDED IN INCREASED FISCAL 1975 AUTHORIZATION

Senator STEVENS. I understand you have some other items in the supplemental we have not been given any justification. I don't quite understand this. Are these items that are in the balance of the supplemental request but are not authorized by the Senate?

Commissioner JOHNSTON. Yes, sir; that is correct.

Senator STEVENS. Do you contemplate appealing that decision of the Senate to the House?

Commissioner JOHNSTON. Yes, sir.

Senator STEVENS. I would suggest we have a separate statement here to justify those items in the event, by the time the House acts on the matter, we might be dealing with a separate set of facts as far as the appropriation request is concerned. We will try to hear the supplemental in more detail later. Would you supply us with a statement of the supplemental request, the balance of the supplemental request, and if there would be any change of the appropriation request pending House action?

Commissioner JOHNSTON. Yes, sir.

[The information follows:]

TRUST TERRITORY OF THE PACIFIC ISLANDS

PROPOSED INCREASE IN FY75 AUTHORIZATION 1/

Section 1

OPERATIONS:

Health Services	$ 500,000*
Transport. & Communications	500,000*
Public Works	3,000,000*
Planning Studies	150,000
FY 74 Transpac Deficit	945,000
TOTAL, OPERATIONS	$5,095,000

CIP:

Yap Hospital	$1,484,000*
Dispensary Matching Fund	166,000*
Ships (4)	8,055,000
A & E Revolving Fund	200,000
TOTAL, CIP	9,905,000
TOTAL	15,000,000

Section 2

Marianas Transition Costs	1,500,000*
TOTAL	$16,500,000

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* Included in S. 326 passed by Senate on 3/17/75:

Section 1	
Operations	$4,000,000
CIP	1,650,000
TTG Total	$5,650,000
Section 2	
Marianas Transition	1,500,000
TOTAL	$7,150,000

1/ S. 983, introduced March 6, 1975, is an Administration bill proposing in Section 1: An increase in FY75 authorization by $15 million and authorization of $80 million for FY76, $15.1 million for the FY76-77 transition quarter and $79 million for FY77; and in Section 2, authorization of $1.5 million for a special program to support Marianas transition costs.

TRANSPAC RECEIVER FUNDING

Details on the rise and fall of the Trans-Pacific Line, Inc. (TRANSPAC) are provided in Appendix 10 of the Joint Opening Statement of Assistant Secretary Hughes, Department of the Interior, and High Commissioner Johnston, Trust Territory of the Pacific Islands, at the Trust Territory Oversight Hearings held by the Senate Interior and Insular Affairs Committee on March 10, 1975-- a copy of which has been provided the Senate Subcommittee on Interior Appropriations. Also, on page 70 of that document, there is a discussion of the $945,000 item to cover TRANSPAC Receiver costs which is included in the $15 million increased authorization for FY 1975 proposed in S. 983, introduced on March 6, 1975.

To supplement that discussion, the following details are provided. At June 30, 1974, the total receivables due the Trust Territory Government from TRANSPAC amounted to $1,578,563. Since about $100,000 may be recovered through the Receiver and a bad debt reserve of $470,234 was available to partially offset this uncollectable receivable, it was determined that it was necessary to record an obligation of one million dollars against the Grant-Operations sub-account in closing the books for FY 1974. Since that sub-account had an unobligated balance of only about $55,000 prior to closing the books, an approximate $945,000 over-obligation was recorded when the books were closed on that account. However, there was about a $3.5 million unobligated balance in the Grant-Capital Improvement sub-account for projects which had not reached the contract stage at June 30, 1974. Offsetting the $945,000 over-obligation in the Grant-Operations sub-account against the $3.5 million unobligated balance in the Grant-Capital Improvement sub-account resulted in a net $2.5 million unobligated balance in the Grant account as a whole.

Rather than to seek a reprogramming of $945,000 of the unobligated balance of the Grant-Capital Improvement sub-account to cover the deficit in that amount in the Grant-Operations sub-account, which would require seeking funds at a later date to restore deferred projects to the Capital Improvement Program, it was decided to request funds in a FY 1975 supplemental appropriation to cover this deficit. If the requested supplemental funds are not provided, it will be necessary to submit the previously mentioned reprogramming request and to seek at a later date an equal amount of funds to provide for the construction of projects deferred in accordance with the proposed reprogramming.

Cost elements of $500,000 requested for Medical Supplies and Referrals in proposed FY 75 supplemental appropriations.

The following table details these cost elements:

	Original Estimate	Current Estimate	Increase (Prop.Supp.)
(1) Medical Referrals	$ 581,600	$ 781,600	$+200,000
(2) Medical Supplies	1,050,000	1,250,000	+200,000
(3) Medical Equipment	102,000	202,000	+100,000
TOTAL	$1,733,600	$2,233,600	$+500,000

(1) Medical referrals is a term used to cover the referral of patients who cannot be given required treatment at a given health services level and must be referred to a higher level. A patient may be referred from an outer island dispensary to a district center dispensary or hospital. A patient there may be referred to the Naval hospital on Guam, and a patient there may be referred to military or private hospitals in Honolulu. Since such referrals are made only as may be necessary, their number, referral point and consequent costs cannot be forecast with any certainty. Analysis of referral costs experienced in past years does provide a basis for determining the probable number of referrals and costs which may be reasonably anticipated during a given year. The $581,600 estimate was based on such an analysis and would be adequate if experienced costs in FY 1975 were about $45,500 per month. It became clear, however, fairly early in FY 1975 that referral costs were well in excess of that average monthly cost and that additional funds would be required to ensure that patients requiring referral later in the year could be accommodated. It may well turn out that referral costs for the balance of the year will be less than it now appears prudent to provide for, in which case the additional funds will remain unobligated at the end of the fiscal year. On the other hand, it is clear that each referral is basically humanitarian in nature and every effort is required to meet the patient's needs. The large cost increase experienced so far this year is basically due to increased costs of treatment and necessary air fares rather than to any extraordinary increase in the number of referrals. Examples of these increases are: cardiac catherization, up $100 to $700; cardiac surgery, up $600 to $5,600; round-trip air fares Saipan-Guam, up $15.80 to $47.80; Saipan-Honolulu, up $135.20 to $645.20; Majuro-Guam, up $138.80 to $500.80. Further, with regard to air fares, stretcher patient fares are now charged on a 3-seat occupancy basis, thus, the air fare for a stretcher patient referred to a Honolulu hospital from Saipan is now $1,935.60 as compared to $510 last year.

(2) Medical Supplies and Drugs. Sharp increases in drug prices have been noted. Aspirin has increased by 28%; pencillin by 42%; ampicillin inj. 500 mg. by 188%; and alcohol by 228%. About $1 million was spent on hospital supplies and drugs during FY 1973. A similar amount, $1,050,000, was used as estimate of drug and supply needs for the FY 1975 budget. However, the price increases experienced during FY 1974 caused total expenditures in that fiscal year to rise to $1,255,000. On that basis, the $200,000 supplemental requested is required in FY 1975 to maintain drug and hospital supply purchases at about the same level as in FY 1974.

(3) Medical Equipment. Medical equipment, especially replacement equipment, is somewhat more deferrable than are drugs and other medical supplies. The requests for equipment from hospitals throughout Micronesia totalled over $300,000 in prices current at the time the FY 1975 budget was prepared. To stay within the budget ceiling, this amount was reduced to only $102,000 on the basis that equipment life could be extended for a time, but experience since the beginning of the year has shown that this is not the case, and some equipment requirements must be met as soon as possible. Price increases for such equipment, apparently triggered by the rising costs of fuel, steel, mercury, and silver, have further eroded the amount of equipment which can be purchased with the funds provided thus far for FY 1975. A large autoclave has risen from $4,390 to $5,360, an increase of 23%. A resus-

citator has increased from $1,200 to $1,536; an incubator from $900 to $1,200; a wheel chair from $108 to $164, a 52% increase; and an anaethesis table has jumped in price from $300 to $525, an increase of 75% in one year.

Public Works - $3,000,000

These funds are required to cover unanticipated and therefore unbudgeted cost increases for fuel and supplies. The price of diesel fuel for example, is currently at 36.7¢ per gallon, an increase of 16.7¢ per gallon or 84% over the 20.0¢ per gallon initially budgeted. Gasoline is 41.4¢ per gallon, or 88% higher than the 22.0¢ per gallon initially budgeted. Other oil products such as lubricants, solbents, and greases have risen in cost almost as steeply. The prices of small tools, parts, paint, and building materials have also increased sharply since the FY 1975 budget was formulated.

The following table shows the distribution of the $2,055,000 additional funds needed based on current fuel consumption rates and purchases of supplies:

($000)

	Amount Initially Budgeted	Current Est. Cost	Additional amount Required
Diesel Fuel Oil:			
Power Plants (est. 9.2 mil.gal.)	$1,740	$3,376	$1,636
O&M (est. 7 mil.gal.)	120	257	137
Gasoline:			
O&M (est. .95 mil. gal.)	209	393	184
Supplies*:			
Power Plants	641	986	345
O&M	1,343	2,041	698
	$4,053	$7,053	$3,000

* Includes all other POL (lubricants, etc.) as well as small tools, parts, etc.

Severe reductions in present fuel consumption rates and the quantities of supplies purchased will be required if the additional funds are not provided. These reductions would be impossible to effect without damage to many operating programs and would severely handicap capital project construction.

Transportation and Communications - $500,000

The additional funds requested under this heading are required for the Sea Transportation program, primarily to cover increased costs for the operation of the Trust Territory's interisland ships. Of the total amount, $250,000 is required to support additional operating costs of the fleet resulting from the fuel price increases noted in the preceding section. Abnormally high drydocking costs required to keep these old

ships in operation and price increases for supplies and equipment account for the remaining $250,000 portion of the total supplemental funds required for this purpose.

Planning Studies - $150,000

Planning for the transition from the present form of government under the United Nations Trusteeship to a form of Micronesian self-government has become increasingly important in view of the progress which has been made in reaching mutually satisfactory draft agreements in recent political status negotiations. The funds requested are urgently needed to begin work on: the preparation of a comprehensive development policy for Micronesian economic self-sufficiency; a study of the problems being encountered in the present Trust Territory Government wage and employment practices to develop feasible solutions to these problems; and a study to determine an appropriate factor (or factors) for use in converting support levels for future years which are stated in FY 1975 constant dollars in status negotiation draft agreements, to current dollars required for the annual budget submissions.

Dispensary Matching Funds

To enable the Trust Territory to obtain $1,500,000 in matching funds now available to it under the Hill-Burton Act for Federal assistance to construct public health facilities required to support its public health program, the Trust Territory must have $166,000 in matching funds. The Hill-Burton funds have only recently become available due to the release of funds impounded from prior year appropriations. Of the $1,500,000 now available to the Trust Territory for its outer-island dispensary construction program, one-half will be lost to this program if it cannot be obligated prior to June 30, 1975. Accordingly, it is vitallh necessary that the required matching funds be made available in this requested supplemental appropriation.

The construction of approximately 26 dispensaries can be supported with the total of $1,666,000 which this small request would make available. Initial planning for the outer-island dispensary construction program was based on a need for the construction of new and replacement facilities to meet a total requirement for 115 of these dispensaries. Seventy of these dispensaries have been, or are being, constructed. The additional funds requested to be made available for this program would boost the number of new and replacement dispensaries to be constructed to 96, leaving a total of 19 to be funded in the future.

The 26 additional dispensaries to be constructed will be of a standard design, and collateral equipment and furnishings will be included. They will be similar to the prototype now under construction, which is a 960 square-foot pre-engineered skin-honeycomb-panelized building. The buildings have been designed to be self-sufficient through the use of water catchment systems and kerosene burning appliances. This is necessary since most remote dispensary site locations are without water, sewerage, or electric power plants.

Inter-island Ships - $8,055,000

To make a major step in the urgently needed replacement of the Trust Territory's inter-island ship replacement program, $8.1 million is requested for construction of four of the total of 8 ships required. The first ship in the replacement program, especially designed for its mission among Micronesia's widely dispersed islands, was completed in August 1974, and is now successfully demonstrating its utility in Trust Territory inter-island shipping.

Like the first, each of the 4 additional ships will be 1,600 gross registered tons, 242 feet long, able to cruise at 15 knots with a cargo carrying capacity of 800 tons, and will be manned by a normal complement of 14 men. They will carry up to thirty-six 20 -foot containers and have a special deck crane to permit operation at all outer-islands with varying types of port facilities or with none.

The present inter-island fleet, except for the first of the replacement ships, consists of a number of small, grossly inefficient and obsolete ships which are costly to maintain and operate and are, at best, unreliable in maintaining inter-island shipping schedules. Their replacement is an urgent necessity underscored by the fact that rapidly rising costs of ship construction require the earliest possible contracting og the required new ships to avoid incurring greatly higher costs to obtain them at a later date than their present cost.

A&E Revolving Fund - $200,000

Established initially in Fiscal Year 1970, the capitalization of the Architecture and Engineering Revolving Fund has grown to a total of $980,227. It is maintained by reimbursement from funds provided for the construction of capital improvement projects for the costs incurred for their design work. The fund has been depleted by ongoing design work so that approximately only $400,000 is presently available to cover anticipated costs in the amount of $600,000 needed for design work on capital improvement projects programmed fy FY's 76 and 77. Since it is now evident that anticipated reimbursements to the fund for projects which have been designed, but not yet funded, will not be forthcoming in time to make up the additional $200,000 needed to permit this design work to go forward on a timely schedule, this amount is required on an urgent basis to provide sufficient working capital in the fund for this purpose.

Yap Hospital - $1,484,000

The FY 1975 budget was prepared during the summer of CY 1973. Preliminary design concepts for the Yap District hospital had been developed by that time, and it appeared that a 40-45 bed facility could be built on the site chosen for about $2.2 million, based largely on square footage and cost-per-bed construction estimates then being developed in the final design for the district hospital on Ponape.

An architectural and engineering design contract for the Yap Hospital was let in September 1973 to the firm of Mackinlay/Winnacker/McNeil. As detailed design proceeded, including on-site visits by the architects, two preliminary design concepts were proven erroneous. First, it was determined that a 50 bed hospital would better meet the long-range needs of the district and, second, it was found that the original site chosen was not acceptable to the Yapese people, since use of that site would have resulted in serious cultural problems. An alternative site was designated based on the recommendations of elected and traditional leaders. The new site is large enough and close enough to the population center, but it will require some additional earth moving because it is somewhat more hilly than the original site. These two factors alone would have made it quite difficult to build the hospital within the original $2.2 million preliminary estimate, but the project was then caught up in the rapidly rising prices for construction materials, shipping and labor experienced beginning in late CY 1973.

The designers were asked to explore the possibility of cutting costs by reducing the scope of the project through the elimination of desirable, but not absolutely essential, features of the new hospital. The surgical/obstetric care unit, being the most expensive area of a hospital to build, ordinarily would have provided the best opportunity to pare costs, but this proved infeasible because of the small scale of the Yap hospital. In a larger scale hospital, it would be possible to reduce operating rooms from five to perhaps three, but in the hospital being planned for Yap, there was only one operating room and one delivery room. The possible reductions in scope which might have been practicable would have saved less than $200,000 and had to be rejected because of the serious impairment such reductions would have made to the effectiveness of the hospital.

It became evident by the time the $2.2 million requested for the hospital in the FY 75 budget was appropriated, that it would be necessary to seek an additional $1.5 million in order to build this urgently needed hospital. In order to expedite the matter, it was necessary to seek an increase in the FY 75 authorization and request a supplemental appropriation since this would make the required funds available sooner than they would be if included in the FY 76 budget.

It should be noted, however, that we have included in our FY 76 budget request an estimate of $364,000 to purchase the collateral equipment that will be needed to complete the hospital. This makes the total cost of the hospital slightly over $4 million.

SECTION TWO

Northern Marianas Planning Funds for Separate Administration - $1,500,000

There is an urgency to prepare for a separate Administration in the Northern Marianas. The funds are to be used as follows:

Economic and Social Planning

Economic and Social Development Planning	$225,000
Fiscal and Revenue Planning	50,000
Physical Planning	225,000
Impact on Relocation of Capital	50,000
Sub-total	$550,000

Administration*

Joint Commission	$ 40,000
Secretariat	460,000
Contingencies	50,000
Sub-total	$550,000

Schedule Transition Steps**

Political Status Education Program and Status Plebiscite	$ 50,000
Constitutional Convention	75,000
Constitutional Education Program and Constitutional Referendum	50,000
Election New Government	25,000
Sub-total	$200,000

Research and Planning ***

Government Organization

Studies and Planning Constitutional Convention	$ 50,000
Research and Planning Government Reorganization	50,000
Initial Legislative Program	50,000
Research U.S. Federal Programs and Services	50,000
Sub-total	$200,000
GRAND TOTAL	$1,500,000

* 2-year costs.
** one-time costs.
*** one-time costs.

STATUS OF FISCAL YEAR 1976 AUTHORIZATION REQUEST

Senator STEVENS. Senator Olter, if you have any comments as we go along regarding your portion of this matter, if you would indicate if you like to participate in the answer, we would be pleased to have your views.

Now, as we have already noted, the 1976 requested a sizable increase over appropriations to date. Now, first, what is the status of that authorization request?

Commissioner JOHNSTON. That is pending under S. 983, which was introduced on March 6, 1975.

Senator STEVENS. Have there been hearings on that in the Senate and in the House?

Commissoner JOHNSTON. They are having hearings in the House on Monday.

UTILIZATION OF CAPITAL IMPROVEMENT FUNDS

Senator STEVENS. With regard to the capital improvements program, I noted earlier the concern of the Senate Interior Committee over this program, and the funding was delayed by our own committee 2 years ago because of the failure to obligate appropriations in a timely manner. I am told now the funds are being obligated more quickly but there is some question raised in a Senate Interior Committee staff report on the utilization of these funds. The staff report, "Management of Public Works Programs in the Trust Territory of the Pacific Islands," will be incuded in the record by reference.

Do you have any comment on that?

Commissioner JOHNSTON. Assistant Secretary Hughes and I submitted a joint statement in the hearings before the Senate Interior Committee last week. We would be happy to furnish a copy of that for the records of this committee.

Senator STEVENS. We would like to have that. We will leave it up to the staff how much would appear in the record of this hearing. As an ex-member of the Senate Interior Committee, I am interested in that, too. What is the status of that review by the Interior Committee at this time?

Commissioner JOHNSTON. The hearings were held on Monday and Wednesday of last week and the record has been kept open for 30 days for a list of additional questions the committee staff was to furnish us and to which we were to provide answers. I do not believe we have received the list of questions but as soon as we do we will answer them as expeditiously as possible.

I assume a committee report will be forthcoming after all of the written questions have been answered, in addition to the questions covered in the oral testimony.

[The information follows:]

51-957 O - 75 - pt. 3 - 20

DEVELOPMENT PLANNING IN THE TRUST TERRITORY

The Committee has been provided with a rather voluminous report prepared in response to the Staff Report on Management of Public Works in the Trust Territory done at the request of Senator Jackson's Committee. Our response to the Staff Report describes in some detail the planning processes in Micronesia and we might refer the Committee to Sections II, III, IV, and V, and Appendices 2, 3, 8, and 9. Actually, so much of our response deals with some facet of planning, that we felt it beneficial to summarize the most important points dealt with in the discussion of the state of planning in Micronesia.

It may be useful to begin with a description of how and by whom plans are developed in the Trust Territory. Comprehensive planning is the responsibility of the Office of the Territorial Planner, created at the request of the Congress of Micronesia. The Territorial Planner, the district planner in each of the districts, and their Micronesian counterpart trainees are responsible for developing and updating the very long range physical, economic, and social development plans.

Long range fiscal planning and shorter range budget planning is the responsibility of the Office of Program and Budget, again with an office established in each of the districts staffed by Americans and Micronesians.

Local input is a key feature in any planning exercise, whether it be a master plan for an island, a district's five-year fiscal plan, or an annual budget. District level department heads are active participants in the process. Elected and traditional leaders at the district level are given the opportunity to review plans before they are submitted to headquarters on Saipan.

The High Commissioner's staff on Saipan reviews the district submissions for compliance with Trust Territory policy, as well as from a technical viewpoint, and compiles the plans or budgets into a formal suitable for submission to Washington. Before fiscal plans or budgets are forwarded, the Congress of Micronesia, through its Joint Committee on Program and Budget Planning, holds hearings which last as long as two weeks and at which both district and headquarters staffs are asked to explain and justify their proposals.

This is a very decentralized planning process and with so many layers of participation and review, it is quite time consuming. It was purposely developed in this manner in order to permit maximum grass-roots participation in recognition of the significant differences among the cultures and island groups which comprise Micronesia.

These planning processes have produced a variety of planning documents which are in use. In appendix 2 of our written response to the Jackson Committee Staff Report, are listed some 64 master plans, 37 of which are complete, 13 are in progress, and the balance scheduled for the next two years. Rough cost estimates have also been made of the capital required to fully implement the master plans, a total of about $600 million.

There also exists a plan for the infrastructure to be funded during the remaining years of the Trusteeship. The thrust of this plan is to put into place the basic infrastructure which Micronesia will need to accelerate its economic development and to provide basic education and health care for its citizens. If this plan is funded and implemented, there will exist: an airport; a dock; the start of a paved road system;

classrooms for all students through the 12th grade; a new or improved hospital; centralized water, sewer, and power systems, and a modern communications network in each district center plus a fleet of inter-island ships and some amenities for the population of the outer islands of Micronesia. This plan is described in some detail in our above mentioned report on pp. 18-40.

Finally, there are the annual budget requests submitted for review by the Congress. These budgets are drawn from the master plans and the fiscal plans and represent the Micronesians' views of the most urgently needed programs and capital improvements projects for the upcoming budget year.

A great deal of planning has been done and continues to be done. But a great deal remains to be done. The concern of the U.S. Congress over the state of planning in Micronesia is valid and is shared by both the Executive and Legislative Branches of the Trust Territory Government.

The Congress of Micronesia has recently taken an important step by passing legislation calling for the preparation of a comprehensive development plan for Micronesia in a joint venture with the Executive Branch. The intent is to tie all the planning efforts into a cohesive whole that will set a direction for Micronesia's development and answer those questions which have yet to be fully addressed. It is expected, for example, that the five-year plan outlined above will put a basic infrastructure into place at a cost of some $145 million (in FY'75 constant dollars) in capital improvement funding. It is not fully known, however, whether or not this basic infrastructure will be enough to induce the kinds of private capital investments in business facilities and operations that Micronesia will need to become more economically self-sufficient. Nor is it fully known whether or not the anticipated combination of public and private investment will produce a rate of economic growth sufficient to generate local tax revenues to sustain an adequate level of public services in the face of declining levels of U.S. support for government operations to the end of the Trusteeship and afterwards. Furthermore, the social implications of faster economic growth have not been fully explored. These are important considerations for an emerging nation, and a great deal of planning lies ahead so that Micronesians can make informed decisions on their economic and political futures.

A final comment on planning in Micronesia might be useful. Plans are drawn, are updated, and are used for decision-making in the Trust Territory. It must be recognized, however, that if too many plans are developed or if they are adhered to too rigidly, then planning becomes static and unable to keep pace with changing economic and technological conditions. On the other hand, if too little planning is done or if plans are ignored or constantly changed, then planning, especially for the long range, becomes meaningless. The Trust Territory has tried to walk that fine line between the two extremes within the limited resources available. We feel we have been reasonably successful.

Status of Funds - Capital Improvement Projects
June 30, 1974

		TOTAL ALLOTMENT	EXPENDITURES	UNLIQUIDATED OBLIGATIONS	UNOBLIGATED BALANCE
01	A & E PLANNING	$ 920,708.10	$ 403,936.41	$ 9,750.28	$ 507,021.41
02	PUBLIC AFFAIRS FACILITIES	210,410.93	201,593.31	6,911.34	1,906.28
03	LEGAL AFFAIRS FACILITIES	304,456.92	225,950.60	73,052.05	5,454.27
04	JUDICIARY FACILITIES	15,000.00	12,843.65	2,851.68	695.33 Cr.
05	EDUCATION FACILITIES	14,670,906.46	8,757,880.70	4,940,625.61	972,400.15
06	HEALTH FACILITIES	7,194,973.80	1,614,648.37	5,273,893.78	306,431.65
	(Hill Burton Matching Fund)	(1,500,000.00)	(480,330.00)	(959,670.00)	(60,000.00)
07	TRANSPORTATION & COMMUNICATION	22,220,861.27	13,188,677.29	8,140,179.78	892,004.20
	(FAA - Saipan Isley Airfield)	(3,069,817.00)	(1,214,448.77)	(1,853,735.98)	(1,632.25)
	(FAA - Yap Airfield)	(43,300.00)	(31,108.00)	(0)	(12,192.00)
	(FAA - Truk Airfield)	(31,559.00)	(27,142.00)	(0)	(4,417.00)
08	RESOURCES & DEVELOPMENT	966,626.57	586,102.05	346,029.61	34,494.91
09	COMMUNITY DEVELOPMENT	4,073,116.64	3,575,130.73	516,572.14	18,586.23 Cr.
11	WATER SEWERAGES & POWER	26,576,457.42	17,306,131.98	8,795,387.91	474,937.53
	(EPA - Ebeye Sewage)	(297,675.00)	(51,593.31)	(245,158.36)	(923.33)
12	MAINTENANCE & REHABILITION	632,470.78	581,209.64	29,981.15	21,279.99
13	GENERAL SUPPORT FACILITIES	576,133.23	516,334.99	59,599.43	198.81
14	CONSTRUCTION OVERHEAD	0	356,075.94 Cr.	77,376.22	278,699.72
	GRAND TOTAL	$ 78,362,122.12	$ 46,614,363.78	$ 28,272,210.98	$ 3,475,547.36

Prior Years Account are CO,C1, C2 & C3
Current Year Account is C4

( ) Info. only

		PROJECT NUMBERS	TOTAL ALLOTMENTS	EXPENDITURES	UNLIQUIDATED OBLIGATIONS	UNOBLIGATED BALANCE
01	A & E PLANNING					
	Holding Account Fiscal Year '74	C4-01	$ 443,299.39	0	0	$ 443,299.39
	TT Wide Power Evaluation & Design	C3-0111-16	41,500.00	$ 36,500.00	0	5,000.00
	CIP Real Estate Service	C2-0111-46	10,000.00	6,586.97	$ 2,730.28	682.75
	TT Wide Harbor & Master Plans	C1-0111-120	147,982.71	147,982.71	0	46.00
	Palau Babelthuap Plan	C3-0114-30	73,500.00	72,775.00	0	725.00
	Yap Airfield Master Plan	C3-0115-33	73,000.00	34,301.36	7,020.00	31,598.64
	Truk Typhoon Amy Disaster A & E Project	C2-0116-07	60,500.00	39,830.37	0	20,669.63
	Rehabilitation & Resettlement	C4-0118-13	70,926.00	65,926.00	0	5,000.00
	TOTAL		$ 920,708.10	$ 403,936.41	$ 9,750.28	$ 507,021.41
02	PUBLIC AFFAIRS FACILITIES					
	Holding Account Fiscal Year ' 74	C4-02	$ 511.92	0	0	$ 511.92
	TT Wide Broadcast Equipment	C4-0211-11	5,000.00	0	$ 3,934.36	1,065.64
	Truk Transmitter	C2-0216-32	80,449.01	78,263.33	2,976.98	791.30Cr.
	Majuro Broadcast Station	C0-0218-75	124,450.00	123,329.98	0	1,120.02
	TOTAL		$ 210,410.93	$ 201,593.31	$ 6,911.34	$ 1,906.28
03	LEGAL AFFAIRS FACILITIES					
	Palau Public Safety Facilities	C0-0314-108	$ 121,984.46	$ 109,786.49	$ 6,743.70	$ 5,454.27
	Ponape Public Safety Facilities	C1-0317-42	30,880.00	21,299.55	9,580.45	0
	Majuro Public Safety Facilities	C1-0318-85	151,592.46	94,864.56	56,727.90	0
	TOTAL		$ 304,456.92	$ 225,950.60	$ 73,052.05	$ 5,454.27
04	JUDICIARY FACILITIES					
	Holding Account Fiscal Year '74	C4-04	0	0	0	0
	Saipan Dist. & High Court Air Conditioning	C2-0412-30	$ 15,000.00	$ 12,843.65	$ 2,851.68	$ 695.33Cr.
	TOTAL		$ 15,000.00	$ 12,843.65	$ 2,851.68	$ 695.33Cr.

		PROJECT NUMBERS	TOTAL ALLOTMENTS	EXPENDITURES	UNLIQUIDATED OBLIGATIONS	UNOBLIGATED BALANCE
05	EDUCATION FACILITIES					
	MUTI-PURPOSE					
	Holding Account Fiscal Year '74	C4-05	$ 176,283.32	0	0	$ 176,283.32
	Marianas School Busses	C4-0512-29	160,000.00	0	$ 169,187.50	9,187.50 Cr.
	MOC Equipment Procurement	C1-0514-21	92,192.40	$ 86,142.59	0	6,049.81
	Dormitory Conversion & Rehabilitation	C2-0534-12	3,845.00	2,950.65	894.35	0
	Truk Typhoon Amy Restoration Project	C2-0536-35	430,119.63	390,266.80	39,852.83	0
	Truk Typhoon Amy Support	C2-0536-51	24,000.00	15,146.91	8,843.11	9.98
	Marshalls High School Dorm. Remodeling	C2-0538-18	14,056.00	6,541.50	2,532.47	4,981.03
	C. C. M. Design Project	C2-0547-14	100,000.00	34,456.76	56,078.24	9,465.00
	TOTAL		$ 1,000,495.35	$ 535,505.21	$ 277,388.50	$ 187,601.64
	ELEMENTARY					
	Garapan Elementary School	C3-0522-26	$ 96,383.34	$ 85,715.44	$ 9,781.97	$ 885.93
	Saipan Elementary Classrooms	C3-0522-44	33,000.00	26,635.00	0	6,365.00
	Palau Elementary School	C1-0524-26	261,890.09	262,057.04	0	166.95 Cr.
	Palau Koyungs & Harris Elementary Sch.	C2-0524-60	29,173.13	28,883.71	9,192.02	8,902.60 Cr.
	Yap Elementary School	C3-0525-12	22,000.00	16,636.73	5,003.49	359.78
	Yap Elementary School	C1-0525-20	159,476.81	123,671.83	18,425.80	17,379.18
	Yap Elementary Classrooms Renovation	C2-0525-40	2,000.00	5,335.81	0	3,335.81 Cr.
	Truk Elementary School	C0-0526-24	248,600.00	202,043.04	31,914.57	14,642.39
	Truk Elementary School Programs	C2-0526-63	374,000.00	114,539.73	11,315.20	248,145.07
	Truk Elementary School	C1-0526-66	350,000.00	297,769.69	47,232.42	4,997.89
	Ponape Elementary School Nan-Uh	C4-0527-23	13,383.00	7,854.70	5,598.03	69.73 Cr.
	Ponape Elementary School School Renovation	C2-0527-29	30,566.00	30,138.86	259.15	167.99
	Ponape Elementary School	C1-0527-47	300,000.00	273,758.95	13,951.21	12,289.84
	Ponape Elementary School Programs	C2-0527-59	262,525.00	172,301.34	76,934.20	13,289.46
	Marshalls Elementary School	C0-0528-26	536,900.00	539,212.45	0	2,312.45 Cr.
	Marshalls Elementary School	C2-0528-58	230,000.00	101,796.46	108,572.54	19,631.00
	Marshalls Elementary School (Outer Sch.)	C1-0528-72	310,000.00	245,181.93	55,021.52	9,796.55
	TOTAL		$ 3,259,897.37	$2,533,532.71	$ 393,202.12	$ 333,162.54

	PROJECT NUMBERS	TOTAL ALLOTMENTS	EXPENDITURES	UNLIQUIDATED OBLIGATIONS	UNOBLIGATED BALANCE
SECONDARY					
Hopwood Jr. High Classrooms, Saipan	C3-0532-28	$ 67,000.00	$ 53,827.96	$ 1,068.25	$ 12,103.79
Saipan High School Field	C0-0532-82	28,900.00	38,590.72	0	9,690.72 Cr.
Marianas Secondary School	C0-0532-88	452,500.00	432,866.03	18,376.34	1,233.63
Micronesian Occupational Center	C3-0534-38	212,000.00	25,000.00	187,000.00	0
Palau Secondary School Construction	C0-0534-109	800,837.37	753,936.15	56,858.10	9,956.88 Cr.
Yap Secondary School	C0-0535-86	717,000.00	595,461.58	78,430.63	43,107.79
Outer Islands High School, Ulithi	C1-0535-97	375,000.00	134,538.57	231,981.84	8,479.59
Truk Faichuk High School	C4-0536-28	74,500.00	0	51,472.00	23,028.00
Truk Secondary School	C3-0536-40	675,468.37	31,778.00	631,690.37	12,000.00
Ulithi High School (Ulol)	C3-0536-41	0	0	0	0
Truk/Dublon High School Southern Namoneas	C2-0536-53	510,200.00	448,073.67	3,785.67	58,340.66
Truk Secondary School Renovation	C2-0536-64	33,600.00	33,695.10	1,711.72	1,806.82 Cr.
Truk/Moen High School	C0-0536-78	263,222.00	173,378.27	31,816.97	58,026.76
Truk/Satawan High School	C0-0536-79	286,300.00	55,605.46	194,772.85	35,921.69
Truk/Tonon High School	C0-0536-80	481,600.00	366,849.44	104,073.75	10,426.81
Truk/Ulul High School	C0-0536-81	28,350.00	27,032.74	0	1,317.26
Faichuk High School Collateral Equip.	C1-0536-93	78,000.00	69,576.13	10,422.95	1,999.08 Cr.
Ponape Islands Central High School -	C3-0537-31	227,636.00	76,624.31	23,402.87	127,608.82
Ponape Secondary School	C0-0537-58	617,700.00	491,658.22	73,549.63	52,492.15
Kusaie Secondary School	C0-0537-59	1,365,000.00	692,146.83	678,073.81	14,779.36
Marshalls Secondary Classrooms Bldg.	C3-0538-35	630,000.00	295,147.97	338,352.07	3,500.04 Cr.
Marshalls Juluit High School	C0-0538-91	2,463,700.00	893,583.65	1,553,142.25	16,974.10
TOTAL		$ 10,410,513.74	$5,691,644.80	$4,269,982.07	$ 448,886.87
ADULT, SPECIAL & HIGHER					
Public Library Kusaie	69-3.0	0	$ 3,506.61 Cr.	0	$ 3,506.61
Public Library Koror	69-4.0	0	703.99	$ 52.92	756.91 Cr.
TOTAL		0	$ 2,802.02 Cr.	$ 52.92	$ 2,749.10
TOTAL EDUCATION FACILITIES		$14,670,906.46	$8,757,880.70	$4,940,625.61	$ 972,400.15

		PROJECT NUMBERS	TOTAL ALLOTMENTS	EXPENDITURES	UNLIQUIDATED OBLIGATIONS	UNOBLIGATED BALANCE
06	HEALTH FACILITIES					
	Holding Account Fiscal Year '74	C4-06	$ 16,795.90	0	0	$ 16,795.90
	Kusaie Hospital	68-1.1	803,500.00	$ 588,078.42	$ 202,469.81	12,951.77
	Dr. Torres Hospital	C1-0612-19	35,300.00	30,769.37	397.60	4,133.03
	Palau Pediatrics Ward	C1-0614-112	153,900.00	166,309.97	1,575.13	13,985.10 Cr.
	Yap Hospital Design	C4-0615-04	185,862.06	47,836.44	96,079.56	41,946.06
	Truk Hospital Nurses Quarters	C1-0616-115	21,700.00	18,542.65	1,357.35	1,800.00
	Truk Hospital Improvement	C1-0616-117	73,500.00	62,980.94	4,697.46	5,821.60
	Ponape Hospital	C3-0617-27	5,593,300.00	518,578.80	4,857,697.00	217,024.20
	Marshalls Hospital Roof	C2-0618-27	17,055.43	17,055.43	0	0
	Ebeye Hospital Equipment	C1-0618-89	49,422.78	43,716.36	168.93	5,537.49
	TOTAL		$6,950,336.17	$1,493,868.38	$ 5,164,442.84	$ 292,024.95
	DISPENSARIES					
	TT Wide Dispensaries	C4-0621-05	$ 201,569.95	$ 81,060.95	$ 106,630.00	$ 13,879.00
	(Hill Burton Matching Fund)	F1737-1	(1,500,000.00)	(480,330.00)	(959,670.00)	(60,000.00)
	(Sub. Total)		(1,701,569.95)	(561,390.95)	(1,066,300.00)	(73,879.00)
	Giliman Dispensaries, Yap	C1-0625-74	10,000.00	9,629.57	370.43	0
	Fanomo, Udot Dispensary	C1-0626-102	11,000.00	8,772.23	2,227.77	0
	Utwe, Kusaie Dispensary	C1-0627-77	16,000.00	15,249.56	222.74	527.70
	Marshalls Ormej Dispensary	C2-0628-28	6,067.68	6,067.68	0	0
	TOTAL		$ 244,637.63	$ 120,779.99	$ 109,450.94	$ 14,406.70
	TOTAL HEALTH FACILITIES		$7,194,973.80	$1,614,648.37	$ 5,273,893.78	$ 306,431.65

	PROJECT NUMBERS	TOTAL ALLOTMENTS	EXPENDITURES	UNLIQUIDATED OBLIGATIONS	UNOBLIGATED BALANCE
07 TRANSPORTATION & COMMUNICATION					
AIRFIELD					
Holding Account Fiscal'74	C4-07	$ 126,444.28	0	0	$ 126,444.28
Isley Airfield Rehabilitation	C2-0712-21	2,082,000.00	$ 654,335.90	$ 1,214,816.62	212,847.48
(FAA- Isley Airfield)	F87416	(3,069,817.00)	(1,214,448.77)	(1,853,735.98)	(1,632.25)
(Sub. Total)		(5,151,817.00)	(1,868,784.67)	(3,068,552.60)	(214,479.73)
Palau Airfield Design	C2-0714-13	111,255.11	111,334.41	0	79.30 Cr.
Palau Interim Airfield	C2-0714-21	331,380.00	296,007.13	31,190.58	4,182.29
Palau Interim Air Terminal	C2-0714-23	32,168.50	33,865.52	1,856.54	3,553.56 Cr.
Yap Airfield	C2-0715-47	600,196.00	395,330.09	153,684.46	51,181.45)
(FAA- Yap Airfield)	F87415	(43,300.00)	(31,108.00)	(0)	(12,192.00)
(Sub. Total)		(643,496.00)	(426,438.09)	(153,684.46)	(63,373.45)
Truk Airfield Planning & Design	C4-0716-06	54,270.00	25,774.53	0	28,495.47
(FAA - Truk Airfield)	F87414	(31,559.00)	(27,142.00)	(0)	(4,417.00)
(Sub. Total)		(85,829.00)	(52,916.53)	(0)	(32,912.47)
Truk Air Terminal Grounds	C4-0716-22	21,100.00	2,100.00	19,000.00	0
Kusaie Airport/Harbor A & E	C4-0717-30	500,000.00	50,000.00	336,630.00	113,370.00
Majuro Airfield Water & Road Project	C0-0718-71	7,468,842.50	6,931,044.49	496,753.72	41,044.29
TOTAL		$11,327,656.39	$8,499,792.07	$ 2,253,931.92	$ 573,932.40
PORT FACILITIES					
Kusaie Terminal Warehouse	68-7.2	$ 25,239.35	$ 21,211.06	$ 3,640.77	$ 370.52
Yap Terminal Warehouse	C1-0715-70	56,500.00	69,086.50	1,225.36	13,811.86 Cr.
Yap Harbor	C3-0725-17	100,000.00	59,877.72	41,727.31	1,605.03 Cr.
Ta!/Satawan Warehouse Truk	C3-0726-06	40,000.00	15,614.00	23,973.00	413.00
Kusaie Dock & Harbor	C2-0727-37	613,055.35	258,334.11	346,246.47	8,474.77

	PROJECT NUMBERS	TOTAL ALLOTMENTS	EXPENDITURES	UNLIQUIDATED OBLIGATIONS	UNOBLIGATED BALANCE
Ponape Terminal Warehouse	C0-0727-99	$ 101,170.16	$ 101,170.16	0	0
Majuro Warehouse	C4-0728-10	51,000.00	37,343.05	$ 8,732.80	$ 4,924.15
Ebeye Pier Repair	C3-0728-19	13,700.00	10,694.89	2,220.24	784.87
TOTAL		$ 1,000,664.86	$ 573,331.49	$ 427,773.95	$ 440.58 Cr.
ROADS & STREETS					
Daunokele Bridge, Ponape	C4-0727-27	$ 8,000.00	0	$ 8,000.00	0
TT Wide Road Construction Equip. (Excess)	C1-0731-30	50,000.00	$ 48,753.10	0	$ 1,246.90
Saipan Roads	C3-0732-05	50,000.00	46,523.09	0	3,476.91
Palau Primary Roads	C1-0734-64	387,113.28	353,585.69	34,814.13	1,286.54 Cr.
Palau Airai Channel Bridge	C2-0734-65	5,022,500.00	313,895.59	4,621,610.58	86,993.83
Gagil-Tomil Road, Yap	C4-0735-26	292,639.00	37,773.82	165,919.18	88,946.00
Yap Primary Roads	C1-0735-65	34,561.00	33,841.39	377.28	342.33
Truk Primary Roads Dist. Center	C0-0736-23	105,000.00	61,350.42	43,649.58	0
Southern Pou Bay Roadway	C3-0736-36	179,940.00	38,795.75	84,303.92	56,840.33
Truk Roads Projects	C1-0736-37	80,995.00	44,225.32	36,769.68	0
Tafunsak-Okat Road, Kusaie	C4-0737-20	29,270.00	0	29,270.00	0
Ponape Primary Roads	C2-0737-31	236,000.00	205,368.08	123.35	30,508.57
Palikir Roads	C3-0737-37	440,000.00	230,753.41	201,197.90	8,048.69
Ebeye Circumferentail Roads	C1-0738-119	75,000.00	83,004.12	0	8,004.12 Cr.
TOTAL		$ 6,991,018.28	$ 1,497,869.78	$5,226,035.50	$ 267,112.90
SHIP					
TT Wide Islands Ships	C1-0741-88	$1,338,000.00	$1,166,574.23	$174,788.57	$3,362.80 Cr.
RADIOS COMMUNICATIONS					
TT Wide Communications Teletype System	C1-0751-04	$ 300,000.00	$ 308,839.14	0	$ 8,839.14 Cr.
Outer Islands Radios	C1-0751-05	200,000.00	191,833.20	$ 9,499.62	1,332.82 Cr.
TT Wide Teletypewriter System	C3-0751-09	200,000.00	167,458.82	28,501.12	4,040.06
Palau Communications Station	C2-0754-17	397,213.00	328,606.78	3,534.79	65,071.43
TT Wide Homer Beacon Building, Ponape	C1-0757-25	22,364.09	22,364.09	0	0
TOTAL		$ 2,457,577.09	$ 2,185,676.26	$ 216,324.10	$ 55,576.73

		PROJECT NUMBERS	TOTAL ALLOTMENTS	EXPENDITURES	UNLIQUIDATED OBLIGATIONS	UNOBLIGATED BALANCE
	TELEPHONE COMMUNICATIONS					
	Saipan Telephone System	C2-0762-39	$ 60,000.00	$ 62,098.78	$ 44.64	$ 2,143.42 Cr.
	Palau, Koror Telephone System	C2-0764-49	50,000.00	43,423.76	6,641.45	65.21 Cr.
	Yap Telephone System	C2-0765-50	50,000.00	49,599.37	2,640.01	2,239.38 Cr.
	Truk/Moen Telephone System	C0-0766-48	131,000.00	126,516.10	6,480.54	1,996.64 Cr.
	Ponape Telephone System	C0-0767-50	89,944.65	89,924.87	0	19.78
	Majuro Telephone System	C0-0768-49	63,000.00	60,444.81	307.57	2,247.62
	TOTAL		$ 443,944.65	$ 432,007.69	$ 16,114.21	$ 4,177.25 Cr.
	TOTAL TRANSPORTATION & COMMUNICATIONS		$22,220,861.27	$13,188,677.29	$8,140,179.78	$ 892,004.20
08	RESOURCES & DEVELOPMENT					
	Holding Account Fiscal Year '74	C4-08	$ 4,999.57	0	0	$ 4,999.57
	Tinian Truck Garden Project	C1-0812-39	50,600.00	$ 39,310.66	$ 3,850.99	7,438.35
	Saipan Irrigation Projects	C1-0812-41	88,900.00	88,362.30	11,586.99	11,049.29 Cr.
	Rota Irrigation Projects	C1-0812-67	33,700.00	24,499.19	88.04	9,112.77
	Saipan Refrigeration Project	C1-0812-94	19,200.00	16,922.47	259.40	2,018.13
	Tinian Refrigeration Project	C1-0812-95	11,300.00	5,799.05	5,229.43	271.52
	Rota Refrigeration Project	C0-0812-96	26,500.00	24,420.06	20.00	2,059.94
	Yap Land Record Vault	C0-0815-100	21,600.00	23,335.36	9.17	1,744.53 Cr.
	Truk Land Record Vault	C0-0816-102	18,300.00	14,314.88	2,370.69	1,614.43
	Ponape Rice Project	C2-0817-44	259,559.00	118,712.44	140,925.71	79.15 Cr.
	Kusaie Agriculture Station	C1-0817-82	30,000.00	30,092.31	520.19	612.50 Cr.
	Kolonia, Ponape Agriculture Station	C1-0817-83	50,441.00	30,306.62	15,441.00	4,693.38
	Majuro Reefer Plant	C1-0818-90	191,627.00	16,991.00	159,728.00	14,908.00
	TT Wide Agriculture Equipment	C1-0821-24	159,900.00	153,035.71	6,000.00	864.29
	TOTAL		$ 966,626.57	$ 586,102.05	$ 346,029.61	$ 31,494.91
09	COMMUNITY DEVELOPMENT					
	Holding Account Fiscal Year '74	C4-09	0	0	0	0
	Bikini Replanting of Coconut Groves	C0-0928-01.3	$ 335,000.00	$ 354,829.30	$ 2,912.39	$ 22,741.69 Cr.

	PROJECT NUMBERS	TOTAL ALLOTMENTS	EXPENDITURES	UNLIQUIDATED OBLIGATIONS	UNOBLIGATED BALANCE
Bikini House & Facilities Construction	C0-0928-01.4	$ 126,481.90	$ 897,444.97	$ 289,191.92	$ 78,182.11
Administration Staff &Equipment	C0-0928-01.5	182,360.85	200,174.33	4,138.59	21,952.07Cr.
Ujelang Resettlement Programs	C4-0928-16	43,344.13	4,508.98	0	38,835.15
TT Wide Civic Action Programs	C2-0951-08	736,592.66	827,312.20	0	90,719.54Cr.
TT Wide Civic Action Team	C3-0951-08	791,000.00	770,503.95	20,686.24	190.19Cr.
TT Wide Civic Action Teams	C4-0951-21	720,000.00	520,357.00	199,643.00	0
TOTAL		$ 4,073,116.64	$ 3,575,130.73	$ 516,572.14	$ 18,586.23Cr.
WATER SEWERAGES AND POWER					
WATER					
Holding Account Fiscal Year '74	C4-11	$ 32,654.45	0	0	$ 32,654.45
TT Wide Water Resources Study	C3-1111-04	62,163.18	$ 57,572.26	0	4,590.92
TT Wide Water Resources Study	C4-1111-09	78,000.00	49,601.87	$ 16,879.98	11,518.15
Saipan Water & Sewerages Project	C3-1112-11	534,678.48	428,076.14	104,926.57	1,675.77
Rota Water Project	C4-1112-15	15,654.49	0	15,654.49	0
Saipan Water	C4-1112-32	9,000.00	5,014.00	0	3,986.00
Saipan Sewage Treatment Plant	C1-1112-78	833,796.00	829,304.07	0	4,491.93
Palau Peleliu Water System	C0-1114-96	133,700.00	134,304.96	8,701.78	9,306.74Cr.
Palau, Anguar Water System	C0-1114-97	88,000.00	84,776.38	3,070.92	152.70
Koror Water & Sewer System	C0-1115-107	3,724,500.00	2,126,803.05	1,612,755.73	15,058.78Cr.
Yap Water Treatment Tank Purchase	C3-1115-29	27,500.00	17,005.28	9,465.23	1,029.49
Yap Water & Sewer Project	C1-1115-55	1,892,700.00	1,265,719.46	625,981.24	999.30
Yap, Ulithi Water Project	C0-1115-93	52,800.00	49,484.81	3,495.14	179.95Cr.
Dublon Water System, Truk	C3-1116-13	352,000.00	58,052.85	293,024.25	922.90
Truk/Moen Water & Sewer Project	C1-1116-56	4,653,500.00	3,161,859.93	1,455,741.37	35,898.70
Truk/Moen Deepwell Dist. System	C0-1116-73	179,000.00	168,578.94	11,353.13	932.07Cr.
Ponape Water Project	C0-1117-53	149,560.00	139,179.44	7,812.44	2,568.12
Ponape Water & Sewer Project	C1-1117-57	4,744,740.00	1,751,711.92	2,992,414.76	631.32

	PROJECT NUMBERS	TOTAL ALLOTMENTS	EXPENDITURES	UNLIQUIDATED OBLIGATIONS	UNOBLIGATED BALANCE
Kusaie Water Phase I	C2-1117-61	$ 200,000.00	$ 75,711.79	$ 123,808.21	$ 480.00
Salt Water Distallation Units	C4-1118-17	20,000.00	15,877.07	103.08	4,019.85
Ebeye Sewage Treatment	C1-1118-79	396,900.00	51,951.44	119,405.49	225,543.07
(EPA - Ebeye Sewage)	F87417	(297,675.00)	(51,593.31)	(245,158.36)	(923.33)
Sub. Total)		(694,575.00)	(103,544.75)	(364,563.85)	(226,466.40)
Water System Proc. of Materials & Tools	C3-1118-45	15,000.00	10,318.89	4,356.36	324.75
TOTAL		$18,195,846.60	$10,480,904.55	$7,408,950.17	$305,991.88
POWER					
Marianas Power Distribution	C2-1122-19	$ 316,342.82	$ 303,747.45	$ 10,760.67	$ 1,834.70
Saipan Power Plant	C0-1122-46	1,717,725.00	1,610,046.30	51,881.15	55,797.55
Koror Power Distribution	C1-1124-06	190,000.00	181,281.59	10,356.40	1,637.99 Cr.
Palau, Koror Power Distribution	C3-1124-14	164,500.00	119,423.16	41,023.43	4,053.41
Palau,Ngiwal Power Plant	C1-1124-49	40,560.00	42,464.62	107.23	2,011.85 Cr.
Palau,Peleliu Power Plant	C0-1124-65	93,450.00	58,455.05	29,386.40	5,608.55
Palau,Malakal Power Plant	C0-1124-83	845,330.00	836,016.99	1,035.39	8,277.62
Yap Primary Power Distribution	C0-1125-14	175,000.00	150,030.88	24,912.49	56.63
Yap Power Plant Building	C2-1125-23	854,300.00	354,326.41	537,550.12	37,576.53 Cr.
Yap Power Plant Project	C1-1125-36	205,700.00	207,690.70	6,058.57	8,049.27 Cr.
Yap Power-Procur. of Transformers & P/Lines	C3-1125-42	30,000.00	19,229.68	4,210.80	6,559.52
Yap Ulithi Power Plant	C0-1125-67	64,700.00	58,583.84	3,400.00	2,716.16
Truk/Moen Power Plant	C1-1126-08	55,200.00	49,325.20	5,874.80	0
Truk/Moen Power Distribution	C2-1126-38	121,000.00	83,082.92	35,219.69	2,697.39
Truk/Moen Power Generator	C3-1126-39	285,000.00	225,893.60	54,173.50	4,392.90
Ulul Power	C3-1126-43	15,000.00	6,274.00	477.00	8,249.00
Truk, Tol Power Plant	C1-1126-50	125,000.00	85,225.95	30,921.02	8,853.03
Truk, Outer Islands Power	C2-1126-56	7,700.00	6,567.70	0	1,132.30
Truk, Dublon Power Project	C2-1126-57	48,300.00	43,231.06	0	5,068.94
Truk, Power Phase II	C0-1126-87	217,250.00	215,691.26	1,984.59	425.85 Cr.

	PROJECT NUMBERS	TOTAL ALLOTMENTS	EXPENDITURES	UNLIQUIDATED OBLIGATIONS	UNOBLIGATED BALANCE
Ponape Generator Purchase	C3-1127-15	$ 473,000.00	$ 151,086.34	$ 300,034.66	$ 21,879.00
Kusaie Power Plant Distributionc	C4-1127-24	128,500.00	17,905.00	68,193.48	42,401.52
Ponape Hospital Power Plant Distribution	C4-1127-25	12,300.00	7.71	42.41	12,249.88
Ponape Power Distribution	C1-1127-32	113,688.00	123,536.80	2,687.01	12,535.81 Cr.
Ponape Airfield Power Project	C0-1127-60	75,000.00	66,363.63	0	8,636.37
Kusaie Power Plant	C0-1127-68	295,688.00	291,149.40	4,286.68	251.92
Ponape/Kusaie Power Plant	C0-1127-84	454,677.00	452,374.67	0	2,302.33
Majuro Airport Power Line	C4-1128-18	125,000.00	31,729.89	68,921.20	24,348.91
Majuro Power Distribution	C1-1128-34	108,604.00	116,099.64	2,299.47	9,795.11 Cr.
Marshalls , Majuro Power Plant	C2-1128-45	282,496.00	268,995.48	2,203.93	11,296.59
Marshalls Juluit Power Plant	C1-1128-51	150,000.00	82,421.89	66,296.01	1,282.10
Ebeye Generator Installation	C2-1128-62	13,800.00	9,929.71	7,107.98	3,237.69 Cr.
Marshalls/Laure Power Plant	C0-1128-69	93,300.00	80,696.12	13,923.95	1,320.07 Cr.
Majuro Power Plant	C0-1128-85	402,500.00	476,342.79	559.71	5,597.50
TOTAL		$ 8,380,610.82	$6,825,227.43	$1,386,437.74	$168,945.65
TOTAL WATER, SEWER & POWER		$ 26,576,457.42	$17,306,131.98	$ 8,795,387.91	$ 474,937.53
12 MAINTENANCE & REHABILITATION					
Holding Account Fiscal Year '74	C4-12	$ 5,470.98	0	0	$ 5,470.98
TT Wide Equipment Purchase	C3-1211-20	228,178.43	$ 192,467.71	$ 29,981.15	5,729.57
TT Wide Equipment Project (Excess)	C2-1221-05	398,821.37	388,741.93	0	10,079.44
TOTAL		$- 632,470.78	$ 581,209.64	$ 29,981.15	$ 21,279.99
13 GENERAL SUPPORT FACILITIES					
Holding Account Fiscal Year '74	C4-13	$ 2,529.46	0	0	$ 2,529.46
Saipan Congress of Micro. House & Senate	C3-1311-22	37,425.85	$ 25,000.00	0	12,425.85
Headquarters Government House Restoration	C2-1311-26	120,354.56	92,393.72	$ 27,015.61	945.23
Social Security Building	C4-1312-08	10,752.00	11,172.43	838.47	1,258.90 Cr.
Marianas Training Center	C3-1312-25	5,000.00	3,243.48	1,578.58	177.94
TOTAL		$ 176,061.87	$ 131,809.63	$ 29,432.66	$ 14,819.58

	PROJECT NUMBERS	TOTAL ALLOTMENTS	EXPENDITURES	UNLIQUIDATED OBLIGATIONS	UNOBLIGATED BALANCE
STAFF HOUSING					
Renovation of Education Office Space	C4-1311-12	$ 14,500.00	$ 9,223.35	$ 2,880.65	$ 2,396.00
Remodeling of the HiCom's Office	C4-1311-14	39,465.64	33,044.14	4,756.50	1,665.00
Extension of Administration Building	C2-1315-24	22,000.00	21,618.48	381.52	0
Saipan Government Housing	C4-1322-19	2,500.00	250.00	2,250.00	0
Koror Apartment	C1-1324-114	149,000.00	140,057.62	5,993.97	2,948.41
Yap Staff Housing	C1-1325-124	130,000.00	133,394.54	13,904.13	17,298.67 Cr.
TOTAL		$ 357,465.64	$ 337,588.13	$ 30,166.77	$ 10,289.26 Cr.
MISCELLANEOUS					
CIP Clearing Account	9999	$ 42,605.72	$ 46,937.23	0	$ 4,331.51 Cr.
TOTAL GENERAL SUPPORT FACILITIES		$ 576,133.23	$ 516,334.99	$ 59,599.43	$ 198.81
14 CONSTRUCTION OVERHEAD					
Design and Engineering	C4-1411-01	0	$ 127,785.88 Cr.	$ 28,822.45	$ 98,963.43
Headquarters Supervision	C4-1411-02	0	121,549.25 Cr.	18,194.18	103,355.07
Division of Planning	C4-1411-03	0	106,740.81 Cr.	30,359.59	76,381.22
TOTAL		0	$ 356,075.94 Cr.	$ 77,376.22	$ 278,699.72

UTILIZATION OF END FISCAL YEAR 1974 UNOBLIGATED FUNDS

Senator STEVENS. Your justification shows an unobligated balance from fiscal 1974 of $3.4 million. Is that correct? What is the balance now?

Commissioner JOHNSTON. I think that is correct at the end of fiscal 1974.

Senator STEVENS. Have you obligated those funds now?

Commissioner JOHNSTON. I do not believe those funds were in the capital improvements area. The total unobligated balance was $2,226,125.

Senator STEVENS. Have those now been obligated?

Commissioner JOHNSTON. I would estimate or presume that the balance of those funds have by now been obligated.

Senator STEVENS. You see, the records show an unobligated fiscal 1974 carryover of $3.4 million and this is in the capital improvements program.

Commissioner JOHNSTON. Yes, sir, but that was somewhat offset by $944,517 in operations over-expenditures, which was one of the items in our supplemental request. This is related to the demise of our monopolistic shipping line, Trans-Pacific Shipping Lines, Inc., which was placed in receivership with the necessity of the trust territory funding the cost of the receivership. We have requested in the supplemental for fiscal year 1975 an amount of $945,000 to cover the Trans-Pac deficit.

REPROGRAMING OF FUNDS

Senator STEVENS. Members of the committee have expressed concern over reports that funds appropriated for specific projects have not been used for those projects. I would suggest for the record here, to make our record clear, that you provide us with a report on your capital improvements program for the last 3 years, with appropriations by project, and show how they have been obligated by project.

[The information follows:]

TRUST TERRITORY CAPITAL IMPROVEMENT PROGRAM
SOURCES OF FUNDING & ACTUAL & PROJECTED OBLIGATIONS BY PROJECT
FY 1973

FY 1973	REGULAR APPROPRIATION	SUPPLEMENTAL/ REPROGRAMMING ACTIONS	TOTAL APPROPRIATION	AMOUNT OBLIGATED 2/22/75	UNOBLIGATED BALANCE	AMOUNT EXPECTED TO BE OBLIGATED BY 6/30/75
ELEMENTARY SCHOOL FACILITIES						
Marianas	$ 100,000	$ 33,000 1/	$ 133,000	$ 123,000	$ 10,000	$ 123,000
Truk	152,000	-0-	152,000	100,000	52,000	100,000
Ponape	45,000	-0-	45,000	44,000	1,000	44,000
Subtotal	$ 297,000	$ 33,000	$ 330,000	$ 267,000	$ 63,000	$ 267,000
SECONDARY SCHOOL FACILITIES						
Marianas	$ 100,000	$ (33,000) 1/	$ 67,000	$ 61,000	$ 6,000	$ 65,000
Ulithi H.S.	307,000	-0-	307,000	286,000	21,000	286,000
Truk H.S. (Moen)	258,600	-0-	259,000	250,000	9,000	250,000
Faichuk H.S.	107,100	-0-	107,000	105,000	2,000	105,000
Satawan H.S.	218,600	-0-	219,000	217,000	2,000	217,000
Ulul H.S.	6,500	-0-	7,000	7,000	=0=	7,000
Mizpah H.S.	-0-	200,000 2/	200,000	200,000	-0-	200,000
Dublon H.S.	82,200	-0-	82,000	80,000	2,000	80,000
Ponape H.S.	238,000	-0-	238,000	227,000	11,000	227,000
Kusaie H.S.	415,000	-0-	415,000	411,000	4,000	411,000
Majuro H.S.	630,000	-0-	630,000	658,000	(28,000)	658,000
Subtotal	$2,363,000	$ 167,000	$2,530,000	$2,502,000	$ 28,000	$2,506,000
POST-SECONDARY FACILITIES						
Community College of Micronesia	$ 500,000	$ (500,000) 2/	-0-	-0-	-0-	-0-
Micronesian Occupational Center	200,000	50,000 2/	250,000	212,000	38,000	237,000
Subtotal	$ 700,000	$ (450,000)	$ 250,000	$ 212,000	$ 38,000	$ 237,000
PUBLIC HEALTH FACILITIES						
Ponape Hospital	$2,350,000	($2,000,000) 2/	$ 350,000	$ 350,000	-0-	$ 350,000
Kusaie Hospital	-0-	300,000 2/	300,000	290,000	10,000	290,000
Dispensaries	40,000	-0-	40,000	40,000	-0-	40,000
Subtotal	$2,390,000	($1,700,000)	$ 690,000	$ 680,000	$ 10,000	$ 680,000

FY 1973	REGULAR APPROPRIATION	SUPPLEMENTAL/ REPROGRAMMING ACTIONS	TOTAL APPROPRIATION	AMOUNT OBLIGATED 2/22/75	UNOBLIGATED BALANCE	AMOUNT EXPECTED TO BE OBLIGATED BY 6/30/75
TRANSPORTATION & COMMUNICATIONS FACILITIES						
ROADS						
Ponape	$ 440,000	$ -0-	$ 440,000	$ 432,000	$ 8,000	$ 432,000
Palau Bridge	700,000	1,800,000 2/	2,500,000	2,500,000	-0-	2,500,000 3/
Subtotal	$1,140,000	$1,800,000	$2,940,000	$2,932,000	$ 8,000	$2,932,000
AIRFIELDS						
Marianas	$ 557,000	$1,125,000 2/	$1,682,000	$1,682,000	-0-	$1,682,000 4/
Palau	185,000	-0-	185,000	111,000	74,000	111,000
Yap	600,000	(400,000)2/	200,000	115,000	85,000	115,000
Truk	187,000		187,000	26,000	161,000	26,000
Marshalls	-0-	125,000 2/	125,000	105,000	20,000	105,000
Subtotal	$1,529,000	$ 850,000	$2,379,000	$2,039,000	$ 340,000	$2,039,000
INTERISLAND SHIP	650,000	-0-	650,000	662,000	(12,000)	662,000
DOCKS & HARBORS						
Ponape	400,000	-0-	400,000	400,000	-0-	400,000
Yap	100,000	-0-	100,000	80,000	20,000	80,000
Subtotal	$ 500,000		$ 500,000	$ 480,000	$ 20,000	$ 480,000
COMMUNICATIONS	$ 200,000		$ 200,000	$ 200,000	-0-	$ 200,000
COMMUNITY DEVELOPMENT FACILITIES						
Bikini Rehabilitation	$ 485,000	-0-	$ 485,000	$ 485,000	-0-	$ 485,000
Civic Action Teams	791,000		791,000	791,000	-0-	791,000
Subtotal	$1,276,000		$1,276,000	$1,276,000		$1,276,000

FY 1973	REGULAR APPROPRIATION	SUPPLEMENTAL/ REPROGRAMMING ACTIONS	TOTAL APPROPRIATION	AMOUNT OBLIGATED 2/22/75	UNOBLIGATED BALANCE	AMOUNT EXPECTED TO BE OBLIGATED BY 6/30/75
WATER, SEWER, & POWER FACILITIES						
WATER						
Marianas	$ 1,200,000	-0-	$ 1,200,000	$ 575,000 5/	-0-	$ 575,000
Truk (Moen)	900,000	-0-	900,000	894,000	6,000	894,000
Truk (Dublon)	350,000	-0-	350,000	349,000	1,000	349,000
Subtotal	$ 2,450,000		$ 2,450,000	$1,818,000	$ 7,000	$ 1,818,000
SEWERS						
Majuro	$ 857,000	$ (700,000)2/	$ 157,000	$ 157,000	-0-	$ 157,000
POWER						
Marianas	$ 100,000	-0-	$ 100,000	$ 100,000	-0-	$ 100,000
Palau	387,000	-0-	387,000	387,000	-0-	387,000
Yap	330,000	-0-	330,000	330,000	-0-	330,000
Truk	285,000	-0-	285,000	282,000	3,000	282,000
Ponape	324,000	-0-	324,000	319,000	5,000	319,000
Outer Islands	65,000	-0-	65,000	65,000	-0-	65,000
Subtotal	$ 1,491,000		$ 1,491,000	$1,483,000	$ 8,000	$ 1,483,000
MAINTENANCE & REHAB EQUIPMENT	$ 192,000		$ 192,000	$ 191,000	$ 1,000	$ 191,000
EMERGENCY & MINOR CONSTRUCTION	200,000		200,000	200,000	-0-	200,000
A&E REVOLVING FUND	$ 100,000		$ 100,000	$ 100,000	-0-	$ 100,000
TOTAL	$16,335,000	-0-	$16,335,000	$15,198,000	$511,000	$15,228,000

FY 1973

1/ A fire at Chalan Kanoa Elementary School necessitated the erection of one prefabricated classroom building at the site. The building was originally justified for erection at the Hopwood Junior High School but it was felt that the critical shortage of elementary classrooms, which required double sessions even before the fire, demanded that the building be used as elementary rather than junior high school classrooms.

2/ A major reprogramming of FY 1972 carryover operating balances, FY 1973 operating funds, and FY 1973 captial improvement projects was requested in a letter of April 3, 1973. Approval of the reprogramming request was granted by the Appropriations Subcommittees in June 1973.

3/ The $2.5 million shown for FY 1973 represents about half of the total $5.0 million bridge project funded through approved reprogrammings in 1972 and 1973, and through a supplemental request approved for FY 1974.

4/ The $1.6 million shown for FY 1973 represents only the Trust Territory funding of the Isley Field Rehabilitation Project. The total project cost will be in excess of $10 million with FAA contributing several million dollars in matching funds under the ADAP program and some $5 million in private funding being used to construct a modern new terminal building. The runway and one portion of the new terminal will be in operation by September 1975 with the remainder of the terminal scheduled to open in the summer of 1976.

5/ The power plant on Saipan was totally destroyed by fire on August 13, 1972. Emergency measures were instituted to restore power to the island, with approval granted by the Secretary of the Interior. One such emergency measure involved the use of utilities funding approved for the water distribution system on Saipan to rebuild the power plant. The Appropriations Subcommittees were informed of all actions taken by a letter from the Department dated January 29, 1973.

TRUST TERRITORY CAPITAL IMPROVEMENT PROGRAM
SOURCES OF FUNDING & ACTUAL & PROJECTED OBLIGATIONS BY PROJECT
FY 1974

FY 1974	REGULAR APPROPRIATION 1/	SUPPLEMENTAL/ REPROGRAMMING ACTIONS 1/	TOTAL APPROPRIATION	AMOUNT OBLIGATED 2/22/75	UNOBLIGATED BALANCE	AMOUNT EXPECTED TO BE OBLIGATED BY 6/30/75
ELEMENTARY SCHOOL FACILITIES						
Marianas	-0-	$ 160,000	$ 160,000	$ 142,000	$ 18,000	$ 178,000
SECONDARY SCHOOL FACILITIES						
Truk	-0-	270,000	270,000	52,000	218,000	250,000
Jaluit H.S. Marshalls	-0-	850,000	850,000	850,000	-0-	850,000
Subtotal		$1,120,000	$1,120,000	$ 902,000	$ 218,000	$1,100,000
PUBLIC HEALTH FACILITIES						
Yap Hospital	-0-	$ 150,000	$ 150,000	$ 129,000	$ 21,000	$ 150,000
Ponape Hospital	-0-	5,250,000	5,250,000	5,105,000	145,000	5,105,000
Subtotal		5,400,000	5,400,000	5,234,000	166,000	5,255,000
TRANSPORTATION & COMMUNICATIONS FACILITIES						
ROADS						
Falau Bridge	-0-	$1,700,000	$1,700,000	$1,700,000	-0-	$1,700,000
AIRFIELDS						
Kusaie	-0-	500,000	500,000	409,000	91,000	409,000
COMMUNITY DEVELOPMENT FACILITIES						
Bikini Rehabilitation	-0-	$ 330,000	$ 330,000	$ 230,000	$ 100,000	$ 330,000
Civic Action Teams	-0-	720,000 2/	720,000	720,000	-0-	720,000
Subtotal		$1,050,000	$1,050,000	$ 950,000	$ 100,000	$1,050,000

FY 1974	REGULAR APPROPRIATION	SUPPLEMENTAL/ REPROGRAMMING ACTIONS	TOTAL APPROPRIATION	AMOUNT OBLIGATED 2/22/75	UNOBLIGATED BALANCE	AMOUNT EXPECTED TO BE OBLIGATED BY 6/30/75
WATER, SEWER, & POWER FACILITIES						
POWER						
Yap	-0-	$ 300,000	$ 300,000	$ 300,000	-0-	$ 300,000
TOTAL	-0-	$10,230,000	$10,230,000	$9,637,000	$593,000	$9,992,000

1/ The FY 1974 regular budget contained no funding for capital improvements projects. However, two supplemental requests were subsequently approved totalling $9,510,000 in construction funds.

2/ The Appropriations Subcommittees were informed by a letter dated December 20, 1973 that the Trust Territory needed to reprogram $720,000 from its FY 1973 carryover balance in operations to fund six Civic Action Teams which were on site in Micronesia at the time. The request for reprograming was approved.

TRUST TERRITORY CAPITAL IMPROVEMENT PROGRAM
SOURCES OF FUNDING & ACTUAL & PROJECTED OBLIGATIONS BY PROJECT
FY 1975

FY 1975	REGULAR APPROPRIATION	SUPPLEMENTAL/ REPROGRAMMING ACTIONS	TOTAL APPROPRIATION	AMOUNT OBLIGATED 2/22/75	UNOBLIGATED BALANCE	AMOUNT EXPECTED TO BE OBLIGATED BY 6/30/75
ELEMENTARY SCHOOL FACILITIES						
Marianas	$ 130,000	-0-	$ 130,000	$ 13,000	$ 117,000	$ 120,000
Truk	80,000	-0-	80,000	-0-	80,000	50,000
Ponape	156,000	-0-	156,000	-0-	156,000	120,000
Subtotal	$ 366,000		$ 366,000	$ 13,000	$ 353,000	$ 290,000
SECONDARY SCHOOL FACILITIES						
Satawan H.S. Truk	$ 94,000	-0-	$ 94,000	-0-	$ 94,000	$ 50,000
Ulul H.S. Truk	94,000	-0-	94,000	-0-	94,000	50,000
Ponape H.S.	164,000	-0-	164,000	-0-	164,000	150,000
Jaluit H.S. Marshalls	749,000	-0-	749,000	746,000	3,000	746,000
Subtotal	$1,101,000		$1,101,000	$746,000	$ 355,000	$ 996,000
PUBLIC HEALTH FACILITIES						
Saipan Hospital	$ 60,000	-0-	$ 60,000	-0-	$ 60,000	$ 60,000
Palau Hospital	590,000	-0-	590,000	-0-	590,000	550,000
Yap Hospital	2,245,000	-0- 1/	2,245,000	-0-	2,245,000	2,000,000
Subtotal	$2,895,000	-0- 2/	$2,895,000		$2,895,000	$2,610,000
TRANSPORTATION & COMMUNICATIONS FACILITIES 3/						
ROADS						
Marianas	$ 55,000	-0-	$ 55,000	-0-	$ 55,000	$ 50,000
Palau	97,000	-0-	97,000	-0-	97,000	80,000
Ponape	127,000	-0-	127,000	-0-	127,000	100,000
Subtotal	$ 279,000		$ 279,000		$ 279,000	$ 230,000
AIRFIELDS						
Marianas	$ 185,000	-0-	$ 185,000	-0-	$ 185,000	$ 150,000
Ponape	250,000	-0-	250,000	-0-	250,000	175,000
Subtotal	$ 435,000		$ 435,000		$ 435,000	$ 325,000

FY 1975	REGULAR APPROPRIATION	SUPPLEMENTAL/ REPROGRAMMING ACTIONS	TOTAL APPROPRIATION	AMOUNT OBLIGATED 2/22/75	UNOBLIGATED BALANCE	AMOUNT EXPECTED TO BE OBLIGATED BY 6/30/75
DOCKS & HARBORS						
Yap	$ 225,000	-0-	$ 225,000	$ -0-	$ 225,000	$ 150,000
COMMUNICATIONS	$ 200,000	-0-	$ 200,000	$ 200,000	-0-	$ 200,000
RESOURCES & DEVELOPMENT FACILITIES						
FISHERIES - Truk	$ 40,000	-0-	$ 40,000	-0-	$ 40,000	$ 40,000
- Kusaie	40,000	-0-	40,000	-0-	40,000	35,000
Subtotal	$ 80,000		$ 80,000		$ 80,000	75,000
COMMUNITY DEVELOPMENT FACILITIES						
Bikini Rehabilitation	$ 667,000	-0-	$ 667,000	$ -0-	$ 667,000	$ 300,000
Enewetak "	75,000	-0-	75,000	66,000	9,000	70,000
Civic Action Teams	650,000	-0-	650,000	641,000	9,000	650,000
Subtotal	$1,392,000		$1,392,000	$ 707,000	$ 685,000	$1,020,000
WATER, SEWER, & POWER FACILITIES						
WATER						
TT-wide	$ 85,000	-0-	$ 85,000	$ 84,000	$ 1,000	$ 84,000
Marianas	10,000	-0-	10,000	-0-	10,000	10,000
Truk (Moen)	665,000	-0-	665,000	-0-	665,000	600,000
Ponape	80,000	-0-	80,000	-0-	80,000	50,000
Subtotal	$ 840,000		$ 840,000	$ 84,000	$ 756,000	$ 744,000
POWER						
Marianas	$ 709,000	-0-	$ 709,000	-0-	$ 709,000	$ 500,000
Truk	110,000	-0-	110,000	-0-	110,000	50,000
Ponape	135,000	-0-	135,000	-0-	135,000	80,000
Subtotal	$ 954,000		$ 954,000		$ 954,000	$ 630,000

FY 1975	REGULAR APPROPRIATION	SUPPLEMENTAL/ REPROGRAMMING ACTIONS	TOTAL APPROPRIATION	AMOUNT OBLIGATED 2/22/75	UNOBLIGATED BALANCE	AMOUNT EXPECTED TO BE OBLIGATED BY 6/30/75
HEAVY CONSTRUCTION EQUIPMENT	$ 115,000	-0-	$ 115,000	$ 103,000	$ 12,000	$ 103,000
EMERGENCY & MINOR CONSTRUCTION	200,000	-0-	200,000	175,000	25,000	200,000
GENERAL SUPPORT	75,000	-0-	75,000	-0-	75,000	65,000
TOTAL	$9,157,000	-0-	$9,157,000	$2,028,000	$7,129,000	$7,638,000

1/ Authorization for an FY 1975 supplemental appropriation of $1,484,000 is currently being sought to secure the additional funding needed to construct the hospital. Rapidly rising prices of construction materials and increasing freight rates have combined to push the construction estimate for the hospital above the $2.2 million already approved for FY 1975.

2/ Authorization for an FY 1975 supplemental request of $166,000 is currently being sought for Hill Burton matching funds to take advantage of impounded dispensary construction funds that were recently released.

3/ Authorization for an FY 1975 supplemental request of $8 million is currently being sought to procure four urgently needed interisland field trip vessels.

PROJECT FUNDS

Senator STEVENS. I have been specifically asked to request that you respond, Commissioner, to this question: To your knowledge, have any project funds been used for purposes other than that for which they were expressly appropriated without reprograming having first been approved by the committee?

Commissioner JOHNSTON. No, sir, to my knowledge, they have not. We have been very careful about seeking the reprogrammings and have never, to my knowledge, transferred any funds from capital improvements to operations or operations to capital improvements, or have we ever exceeded the limit of minor reapplications of funds which would bring us into the area where we would need to request reprograming. That has been watched very carefully. When we need to request reprograming, then we do request it.

Senator STEVENS. We would be happy to have that, Commissioner. I think the status report on the capital improvements fund ought to clarify that question.

DELAYS IN CONSTRUCTION OF PROJECTS

Now, we are also told there has been severe delay in terms of the projects and their estimated time for completion, which increases the project cost. For instance, the Interior Committee staff report on the Ponape Hospital said the contract was not awarded until last summer, construction still has not begun. Funds were appropriated several years ago, and this relates to a delay and an increase in costs with regard to that specific project. Could you explain that for us? Is this an accurate criticism and, if so, what causes it?

Commissioner JOHNSTON. In the first place, this is an inaccurate criticism. Construction of the Ponape Hospital is underway. I have visited the site myself and have personally testified that construction is well underway and on schedule under the current contract to construct the hospital.

REASONS FOR DELAYS

Senator STEVENS. What delayed the contract award?

Commissioner JOHNSTON. The fact we had to have additional funding, as we have had to have on many contracts in recent years with the escalation of costs, particularly in the construction field, escalations of as much as 200 percent in vital components such as reinforcing bars and bags of cement. So when we finally funded Ponape Hospital to the full amount to construct it——

Senator STEVENS. We have a pipeline in Alaska that's going to cost many times over the original estimate—I know something about increased costs.

When it comes to increased costs in construction projects, don't you budget for an inflationary cost increase? Most of our public works projects have a built-in inflationary concept when they come in and ask for money. The Corps of Engineers has a built-in escalation, so much percent. Don't you do that with your Bureau of Reclamation projects?

Mr. WILES. Reclamation has unlimited contract authority. They come back each year only for contractors' earnings. The total project is what you are talking about, Mr. Chairman.

Senator STEVENS. These projects have been authorized with specific limits and then you have to change the authorization ceiling or the appropriation limit before you can enter the contract. Is that what you do?

PONAPE HOSPITAL FUNDS REPROGRAMED

Commissioner JOHNSTON. Yes, Mr. Chairman. We operate, as you know, under a fixed authorization ceiling. One of the reasons the Ponape Hospital was not constructed a few years ago was whenever—it was such a large amount that when we needed money for other projects and they would say, what are you going to take out, there is a natural tendency to say, here is $3 million we can take out right there. I am afraid the Ponape Hospital was a victim of that a couple of times.

There were delays and there was one delay——

Senator STEVENS. Delay in the authorization?

Commissioner JOHNSTON. The actual request.

Senator STEVENS. In the request for funds?

Commissioner JOHNSTON. Yes. There was a reprograming of funds involving the Ponape Hospital. We completed a new modern hospital on Truk and, based on our experience with that hospital and what it could accomplish, we reassessed the Ponape Hospital and, to a certain extent, decreased the size of it. At that point, we reprogramed the funds and then requested them in a different amount for a different number of beds the following year.

CAPITAL IMPROVEMENT PROGRAM PLANNING

Senator STEVENS. Tell me about the planning for these projects. How do you develop the goals and priorities for your construction projects?

Commissioner JOHNSTON. First of all, Mr. Chairman, we have a 20-year master plan in each of our administrative districts.

Senator STEVENS. Who approves that?

Commissioner JOHNSTON. Eventually, it is approved by the high commissioner's office and the Congress of Micronesia. The plan itself is a very flexible one at the present time. Only this year have we established, in compliance with legislation passed by the Congress of Micronesia, the Office of Territorial Planning, and we now have an experienced planner in each district with a Micronesian understudy in each district.

Senator STEVENS. Who establishes the priorities with regard to the specific projects in that plan?

Commissioner JOHNSTON. The district legislature and the district administration jointly establish the priorities in their district.

Senator STEVENS. Are they locked in or subject to annual reviews?

Commissioner JOHNSTON. They are definitely subject to annual review. Then they come to headquarters where we try to reconcile six districts and, in addition, those programs such as the Micronesia Occupational Center and the college, which are territorywide. Each year within our budget authorization, our allocation from the Interior Department, we draw up a budget, submit it to the Congress of Micronesia for their review and suggestions, and then, in turn, submit it through the Interior Department to the OMB and to the Congress.

NEED FOR IMPROVED DOCK FACILITIES

Senator STEVENS. With regard to these costs, and I am sure you know that is why we are going into this, what is the situation with regard to your dock facilities? We have been told a lot of these problems are related to the difficulties in obtaining construction materials and equipment and that there has been no priority addressed to the establishment of better dock facilities. Again, is that a good criticism, or, in any event, what is the priority established under this procedure for better dock facilities?

Senator Olter, let me ask you: You mentioned in your statement that you feel these requests reflect the priorities of the Micronesian people for expenditure of these limited funds available. Can you specifically mention the capital projects? Are the people in your legislature aware of the problems caused by the increasing costs and the changing costs of priorities in these projects?

Senator OLTER. The members of the legislatures in the districts are quite aware.

Senator STEVENS. Have you studied the problem as to what might be done to reduce some of these escalating costs?

Senator OLTER. Mr. Chairman, since most of the materials used in the construction area are imported, we are helpless in any attempt to reduce them.

Senator STEVENS. What about dock facilities? Have your people addressed the question of better dock facilities and whether such a project of modernizing the dock facilities might be reflected in reduced costs of these materials?

Senator OLTER. Mr. Chairman, in those districts where we can afford to expend the money from the United States to build the facilities, we may realize a reduction in costs of importing materials, but that is not significant overall. The bulk of the costs, I would say, is in the freighting in of materials, not so much in the landing.

Senator STEVENS. Where do you get most of your construction materials?

Senator OLTER. From the United States or the Far East.

Commissioner JOHNSTON. I might say, Mr. Chairman, we have completed one dock project in Senator Olter's home district of Ponape and we have the other docks budgeted in the 6-year plan that we discussed with the Senate Interior Committee at the oversight hearings to provide a basic infrastructure.

COSTS OF DOCK AND HARBOR PROJECTS

Senator STEVENS. What will be the cost of those dock projects?

Commissioner JOHNSTON. The total cost is $13,832,000.

Senator STEVENS. Are any of them authorized in this new bill?

Commissioner JOHNSTON. Yes; $128,000 for dock improvements in the Marianas; dock and harbor designs for Palau, $100,000; dock and harbor designs for Truk, $120,000; and a new port facility which is being constructed in the Marshalls, $2,444,000.

MANAGEMENT OF EXPANDED CONSTRUCTION PROGRAM

Senator STEVENS. I am told the Trust Territory seeks a $25 million increase in the Capital Improvements program, which would double

your construction program. In view of the problems that have been incurred in the past in regard to construction programs, do you think you will have the facilities to take care of that kind of expansion and manage that 100 percent increase in construction activity?

Commissioner JOHNSTON. I think we can, Mr. Chairman. I have always felt we could. As recommended by the staff of the Senate Interior Committee, we have made a maximum use of the facilities of the Navy OICC, Officer in Charge of Construction, and the Army Corps of Engineers. The Army has jurisdiction in the Marshalls District and the Navy in the other five district of Micronesia. We do have existing contracts with those two organizations, master contracts, under which they supervise the awarding and constructing of most of our major projects.

Senator STEVENS. They actually supervise the construction?

Commissioner JOHNSTON. Yes, sir. We have inspectors in our Public Works Department, but the basic responsibility of supervision of the contracts they award is done by the Corps of Engineers or the OICC, and the staff recommended we continue that. There have been contrary recommendations, particularly by one construction expert from the Bureau of Reclamation, but we are continuing in lieu of building up a larger professional staff at the trust territory level.

Senator STEVENS. Do you have anything in this budget that this committee reviews for that supervision by either the Corps of Engineers or the Navy, or is that in their own budgets?

Commissioner JOHNSTON. It is included within the projects. The cost normally is estimated at around 7 percent.

Senator STEVENS. You reimburse them?

Commissioner JOHNSTON. That is correct.

PRIORITY ORDER OF PROJECTS

Senator STEVENS. We would like to have a list of these projects. I know your people don't like to do it but we would like to have you put priorities on them in terms of the projects included in this $25-million program. I assume from what the Senator has said, priorities were established by the districts.

Commissioner JOHNSTON. Yes, sir; they were.

Senator STEVENS. We would like to know what those were so we can reflect those as the committee reviews the request.

[The information follows:]

PRIORITY ORDER OF PROPOSED FY'76 CIP PROJECTS

The assignment of a single set of priorities for the Trust Territory is quite difficult since a budget is prepared separately in each of the six administrative districts and then collated at headquarters for submission to the Department and ultimately to the U.S. Congress. Priorities vary among districts because the differing cultures and desires require that differing needs be addressed. Thus, it would be somewhat inaccurate to state that transportation, for which the largest percentage of capital funding has been requested, is the highest priority program area for the Trust Territory, because in the Yap District, for example, collateral equipment to finish the new hospital has been identified as the highest priority request for FY 1976.

Further complicating the assignment of a single list of priority numbers within the $25 million capital program being sought is that such a priority listing would be valid only for the full $25 million and not for any level of funding above or below that amount. If funding constraints required that $1 million or $5 million be removed from the budget request, priorities would shift somewhat because projects variable in scope such as miles of roads, numbers of elementary school classrooms, or miles of power lines would likely be reduced in scope rather than whole projects being deferred until a later year. Again such modifications of priorities can best be made at the grass roots level within the decentralized system of planning and budgeting that has been developed in Micronesia so that the local population can participate in determining within available funds their own priorities for their islands.

Some general statements of the highest priority items by district can be made for FY 1976. For the Marianas District, the hospital renovation project would be assigned priority number one. Hospital collateral equipment requests at $650,000 for Ponape and $364,000 for Yap are also urgently needed to make the hospitals now under construction fully useable. The Marshalls District ranks its $2.4 million dock project as its highest priority need for FY'76, although as can be noted below, some of this construction could be deferred for a year without totally sacrificing the project. The development of roads are of primary importance in the Palau District, especially the replacement of a wooden bridge which connects the district center with the commercial port of Malakal Island. The airport for Kusaie and the airport for Truk would rank highest for those districts. For headquarters, or Trust Territory-wide projects, the request for the tuna boats would be considered to be highest priority need for FY'76.

Within the reservations outlined above, it is possible to define transportation and communications facilities as having the highest priority for FY 1976 and for several years to come. The scattered distribution of the islands demands that this be so. The copra industry depends on the availability of dependable inter-island shipping, hence the requestfor replacement of the fleet between FY'75 and FY'77. Tourism needs airports to bring visitors to the islands and roads to move people around on once they arrive. Fishing and commercial development requires good docks and harbor facilities. These facilities are geared to allowing faster economic development to occur.

However, these facilities would be useless without the utilities required for their operation; therefore, the provision of basic water, sewage, and electrical power systems where these utilities are lacking, or their expansion where existing capacity is insufficient, appears to be of at least equal--if not higher--priority.

Banding analyses to identify lower priority projects which might be deferred, have been made in response to requests for such information from the Department of the Interior, OMB, and the Congressional Committees should funding constraints make budget trimming necessary. Ten per cent of the projects in our capital improvements program were identified as being of the lowest priority, and an additional 20% were identified as being in the next lowest priority, for a total of 30%, or $7.5 million, of the CIP request of $25 million for FY'76. These projects are listed below. The table also shows whether projects would be eliminated or reduced in scope should that become necessary.

PROJECT NAME & TYPE OF ACTION	DOLLAR IMPACT
Lower 20% Priority Listing for Projects Requested	
Education Facilities	
- A & E design of Marshall Islands High School dormitory (eliminate)	$27,000
Transportation and Communication Facilities	
- Marianas road paving (eliminate)	167,000
- Palau roads (reduce in scope)	100,000
- Palau airfield design (eliminate)	136,000
- Yap airfield design (eliminate)	318,000
- Ponape circumferential road (reduce in scope)	376,000
- Kusaie seawall project (eliminate)	200,000
- Marshalls port development (reduce in scope)	596,000
	$1,893,000
Resource & Development Facilities	
- Micronesian Mariculture Demonstration Center expansion (eliminate)	$625,000
- Agricultural warehouses, Ponape (eliminate)	168,000
- Reefer plant expansion, Ponape (eliminate)	46,000
- Reefer plant design, Marshalls (eliminate)	14,000
	$853,000

Water, Sewer, and Power Facilities	
- Power distribution, Marianas (eliminate)	$400,000
- Water line projects, Palau (eliminate)	76,000
- Water system expansion, Truk (eliminate)	665,000
- Water system expansion, Ponape (eliminate)	91,000
- Power line distribution, Ponape (eliminate)	91,000
- Power plant, Marshalls (eliminate)	508,000
	$1,831,000
Maintenance & Rehabilitation Facilities	
- Heavy construction & maintenance equipment, TT-wide, (reduce in scope)	$93,000
- Public works facility, Marshalls (reduce in scope)	153,000
	$246,000
Construction Support	
- Design/Engineering and contract construction administration, (reduce in scope)	$150,000
	$5,000,000
Lowest 10% Priority Listing for Projects Requested	
Transportation and Communications Facilities	
- Telephone system, Marianas (eliminate)	$124,000
- Dock design, Marianas (eliminate)	128,000
- Dock design, Palau (eliminate)	100,000
- Road construction, Kusaie	420,000
	$772,000
Community Development Facilities	
- Civic Action Teams, Truk, Palau, Ponape, and Kusaie (eliminate)	$520,000
- Bikini Rehabilitation (reduce in scope)	301,000
	$821,000

Water, Sewer, and Power Facilities	
- Water Resources Study (eliminate)	$77,000
- Water system design, Yap (eliminate)	45,000
- Power line extensions, Yap (eliminate)	157,000
- Water system design, Truk (eliminate)	105,000
- Sewer system design, Truk (eliminate)	150,000
	$534,000
Maintenance and Rehabilitation Facilities	
- Heavy construction equipment (reduce in scope)	$123,000
- Emergency & minor construction (reduce in scope)	250,000
	$373,000
Subtotal, Lowest 10% priority projects	$2,500,000
Total, Low 30% priority projects	$7,500,000

PROPOSED PROCUREMENT OF TUNA FISHING BOATS

Senator STEVENS. Now, let me turn to the tuna boat problem. This request is for $1.2 million for seven tuna boats. If that is a financially feasible project, why do they have to be Government-financed? Why won't the industry finance those?

Commissioner JOHNSTON. Probably because there is not that much private capital available in Micronesia. The fish we catch are then frozen, and the frozen fish must be shipped to American Samoa to be processed. One thing that has delayed the building of canning facilities in Micronesia is the fact there are still tariff barriers between Micronesia and the United States. Tuna can come in from Guam and other places duty-free but it cannot come in duty-free from any part of Micronesia.

Senator STEVENS. I have had a lot of experience with canneries in my State and with my time with the Interior Department, too, but why should these people, no matter where they operate, they are purchasing this fish—they would normally finance an adequate fishing fleet to bring the catch at the desired level they want. Why should the Government be involved in the financing of these tuna boats? To my knowledge, they don't finance any others. They do on private loans, but on a direct purchase basis, I don't understand that.

Commissioner JOHNSTON. This is to encourage the Micronesians themselves, to give them a start in the fishing industry. We are making, I believe, Mr. Chairman, significant strides in this area. Each of the districts now has a fishing co-op and a district fishing authority. We have a dory project which has been very successful in the Ponape district and we are getting some small fishing boats from Japan as part of the settlement of the war claims.

ALTERNATIVE MEANS OF FINANCING BOATS

Senator STEVENS. Have you explored the eligibility for participation in the fishing vessel construction loan program that the Interior Department administers? I guess it is now with the National Marine Fisheries Service. It used to be with Interior. I guess it is at Commerce now. Have you ever explored to see if your people are eligible for that program?

Commissioner JOHNSTON. We have explored that; we have considerable contact with the National Marine Fisheries Service through the P.I.D.C., the Pacific Islands Development Commission, which consists of the Chief Executives of Hawaii, the trust territory, Guam, and American Samoa.

We are currently working on a joint program with them involving some, hopefully, $3 million in fiscal 1976, in research in tuna fishing in the four areas in the Pacific in which the United States of America has to some degree an interest.

Senator STEVENS. I am not saying they have to be privately owned in the total sense but even a cooperative—it seems to me there are other ways of financing, other than getting the Government into the business of building fishing vessels. I would say that would stick

out like a sore thumb. There are Senators from States with fishing industries with whom you are going to compete.

The same thing would apply to the skipjack operation, would it not?

There are some 15 to 20 vessels involved in that.

Commissioner JOHNSTON. I believe that is right.

Senator STEVENS. Are they to be financed by the Government also? It is in Truk, I understand. I am told there is no indication who is going to build them but you indicate there are 15 to 20 skipjack vessels that are expected to be operating in a few years.

PROCUREMENT OF BOATS WITH JAPANESE WAR CLAIMS FUNDS

Commissioner JOHNSTON. Some of those will undoubtedly be procured with private funds but the ones we are discussing in this $1,266,000 authorization must necessarily be purchased from Japan. The U.S. State Department, in 1969, concluded this agreement with Japan for an ex gratia payment to consist of $5 million cash from the United States and a roughly equal sum in goods and services from Japan.

Ever since that date we have been engaged in negotiations with the Government of Japan toward the implementation of this. The Japanese Government has laid down certain relatively stringent rules, and one of the problems of our budgeting the past few years and into fiscal 1976, Mr. Chairman, is that certain things must be purchased—must be purchased—from Japan, and must be purchased within the next relatively few months or the money will not be available to pay the claimants under the war claims deal.

Senator STEVENS. I am familiar with the cost of fishing vessels and the cost is 140 percent greater in the United States than it is in Japan. I don't think you should complain about the source of them. Even with that advantage in terms of price, why should the Government buy seven tuna boats? Why isn't there ability, if there is a product for sale, for financing these through the purchasers of the fish, which is the normal arrangement in a fisheries complex?

Commissioner JOHNSTON. The United States of America, as trustee for the Micronesians, is trying to create a viable economy in Micronesia so that somewhere along the line, at or shortly after the termination of the trusteeship agreement, the Micronesians will have a reasonable chance of having a viable economy.

Senator STEVENS. Excuse me just a minute. I must go to the Senate floor for a vote. We will take a temporary recess, and again I apologize.

[Whereupon, at 3:25 p.m., a short recess was taken.]

OWNERSHIP OF TUNA FLEET

Senator STEVENS. [resuming]. I was thinking on our little trolley car going over and back, has it been the considered judgment of the districts of the trust territory that the tuna fleet will be publicly owned?

Commissioner JOHNSTON. I think Senator Olter could speak to that better than I could, Mr. Chairman. That is my impression; yes, at the start.

Senator STEVENS. Are we asked to buy boats for private concerns to operate in competition with other vessels?

Commissioner JOHNSTON. We would loan the boats to an operator who would pay for the operating expenses and operate the boats potentially, not actually, but potentially, in competition with other boats.

REPAYMENT OF BOAT CONSTRUCTION COSTS

Senator STEVENS. Have you explored any kind of an arrangement whereby the construction costs of these vessels would be repaid?

Senator OLTER. Mr. Chairman, if the choice were given to the Micronesians, and I think in this case as far as acquiring the capital assets is concerned, acquiring the boats which will, in turn, be productive under the management of the different fishing authorities created by the Congress in the districts to supplement the great local demands for fish products at present as well as in the training of our fishermen, we would not expect repayment. We have sent people to Hawaii, a few to Palau, to Van Camp, for training and in return we would need more boats in the districts. This is also in connection with building our freezing facilities in the districts where we can move into a bigger setup in the export of fish. I think this request is in line with that thinking.

Senator STEVENS. I would like to very much assist you in expanding your fishing effort and your fishing industry capability but I believe we will run into severe opposition in Congress for the appropriation of Federal funds to buy vessels that will be privately operated without any concept of repayment of construction costs. I know of no place in the Federal Government where we do that. Even in terms of the Indian programs there is the concept of a repayment program in terms of the construction—fishing vessel construction—program. As I understand it, this is an outright grant for seven tuna vessels that would not even be repaid to the trust territory government. Even if it was something having some reimbursement coming back into the government and staying there, the trust territory, we could understand it better. Maybe you could have a revolving fund concept where you could get money coming back in from these boats, and help get more. But just an outright grant for seven tuna boats, it is just bound to raise some flags around this Congress, in my opinion.

I will leave it there. I know we will have problems with that concept unless you have some provision for payment back into the system.

POSSIBLE REPAYMENT THROUGH FISHING AUTHORITY FUND

Commissioner JOHNSTON. It could be that we would consider a modest lease-rental, where possibly the operator would pay so much per ton of his catch toward creating a fisheries authority fund for the purchase of additional boats, and so on. But the only purpose is to get an industry started so the people in Micronesia can build a tax base and become gradually more self-sufficient.

If we don't do something to get it started, as has happened since 1947, the United States will continue to pick up virtually the entire tab for operations of the trust territory.

Senator STEVENS. I understand that. I would like to be helpful but I have been involved with the fishing industry too long to know that that will not happen unless there is some repayment plan. The gentleman in the back, will you identify yourself?

Congressman SETIK. I am Congressman Setik.

Senator STEVENS. We are happy to have you.

NEED TO DEVELOP FISHING INDUSTRY IN MICRONESIA

Congressman SETIK. On this issue of seven fishing boats, it is unique in Micronesia today. In the past, as Senator Olter mentioned, there have been more than 20 Micronesians trained in Honolulu on a fishing program and at the same time 150 to 200 were trained at Palau. When they return, there are no jobs for them.

Senator STEVENS. I understand that. But a grant to a fishing authority to a program that—to have a tuna vessel that would in the first place be a Japanese vessel, which no American tuna boat operator could use because of the Jones Act, plus having a totally subsidized no-capital construction increment, repayment increment, in terms of operating costs, is going to lead to an objection from the industry on the mainland.

You could work it out. I am certain you could work it out and develop the funds so you could buy more if you approach it in a way that it was a fishing authority operating program.

Mr. Rice, you might want to talk to the marine fisheries. Perhaps I am belaboring this. I am trying to be helpful.

Congressman SETIK. If your concern is repayment of the boats, I don't see any problem in establishing or developing some sort of repayment on a long-term basis. I am sure other members of the Congress will see a program is established or something.

Senator STEVENS. That would make a great deal of difference.

Commissioner JOHNSTON. We had a unique approach from one of Congressman Setik's constitutents from the Truk district. When I was on Truk a few weeks ago he approached us with the proposition that if we would give him all seven of the boats, he would not only work out a payment plan but he would immediately guarantee to employ 215 persons full time.

Congressman SETIK. It will also create jobs for people out there. Not only that, it is going to really help in developing the fishing industry.

Senator STEVENS. You ought to have a very viable fishing industry there, no doubt about it.

[The following letter was subsequently received and ordered to be included in the record:]

Dear Senator Byrd:

During the course of the Subcommittee's hearing on the Fiscal Year 1975 budget for the Trust Territory of the Pacific Islands on March 19, 1975, Senator Stevens expressed concern that, in the justification presented in support of the $1,266,000 request for the procurement of seven skipjack tuna fishing boats required to assist Micronesians to develop a viable commercial fishing industry, there was no indication of whether or not these boats would be simply given or loaned to qualified operators or if the operators would be required to buy or lease them from the Trust Territory Government. To remedy this situation, the following information is provided for the record as promised by High Commissioner Johnston.

At the time the 1976 budget justifications were being prepared, final decisions had not been made on the best means of ensuring that the boats would be fully utilized in furtherance of the fisheries development program in the areas where they would be operated. It was clear, however, that development of the local economy was to be the primary goal, and the means by which these boats would be made available to qualified operators would have to ensure that this basic requirement would be met. Certainly, it was never intended for any of these boats to be used for the personal enrichment of any individual or to give the operators of these boats an unfair advantage over other commercial fishermen engaged in the tuna fishing industry.

Obviously, it will be necessary for the Trust Territory Government to retain full control over the use of these boats in order to make certain that these basic operating requirements are met. We have now concluded that the best means of ensuring such control is to lease the boats to established fishing cooperatives pursuant to operating agreements which will provide both incentives for optimal use of the boats in accordance with the fisheries development program and safeguards against their misuse for private gain or to provide unfair competition in the Pacific fishing industry.

It should be made clear that the whole concept underlying the request for funds to procure the initial seven tuna fishing boats is that these funds are essentially "seed money" needed to establish a viable fishing industry in Micronesia in furtherance of efforts to boost the economic base of Micronesia so that it may achieve a larger measure of self-sufficiency then at present. We believe that this concept is sound and, if properly managed, should achieve the desired results without causing adverse impact on commercial tuna fishing in the Western Pacific.

Accordingly, we are most hopeful that your committee will support this request, and we trust that the foregoing information will be useful in any discussion of this proposal on the floor. If further information is desired, we will be most happy to respond fully to any such request.

Sincerely yours,

Emmett M. Rice

Emmett M. Rice
Acting Director of Territorial Affairs

FUNDING FOR CIVIC ACTION TEAMS

Senator STEVENS. Why did you reduce your budget for the civic action teams?

Congressman SETIK. We were under a budgetary constraint. We need at least five teams to continue.

Senator STEVENS. Was it because of the other increases that you made that decision?

Congressman SETIK. As I understand it, the cost last year was $135,000 per team. Now it costs us $205,000, so under the limits of budgetary constraint other programs received priority.

FUNDING FOR LANDS AND SURVEYS

Senator STEVENS. Does the same consideration apply to Lands and Surveys? I understand there is a $2-million reduction in resources and development. What brought that about?

Commissioner JOHNSTON. That program peaked in 1975, the maximum expenditure for a crash program. Now the expenditure can taper off to a more normal level.

Senator STEVENS. While it is tapering off, there is a 10-percent increase in the administration of operations grants; why is that?

Commissioner JOHNSTON. In our total administration?

Senator STEVENS. An increase of 10 percent for the administration portion of your operations grants. Why don't you do this, Commissioner——

Commissioner JOHNSTON. There are increases in certain areas but there are also decreases in other areas.

Senator STEVENS. We are talking about overall operations.

Commissioner JOHNSTON. Overall operations would increase by a little more than $4 million.

EXPLANATION OF INCREASED OPERATING COSTS

Senator STEVENS. You have an increase of 47 percent, $3.4 million, for your public works operations. Will you give us a statement of how you are attributing these increases. Are these for fuel costs, equipment costs? You have a new planning office you told us about but in terms of your overall operations, both in grants and your public works operations, would you give us a detailed list explaining that?

Commissioner JOHNSTON. We would be happy to.

[The information follows:]

TRUST TERRITORY OF THE PACIFIC ISLANDS
DETAILS ON CHANGES IN OPERATING PROGRAM
FUNDING FROM FY 75 TO FY 76

EDUCATION

The largest portion of the $55 million support level required for our FY 76 operations is, as in past years, $13.4 million (or 24.3% of total operations) needed for our education program. Of the $478,600 increase this funding level represents over the FY 75 program, $263,550 (or about 55%) is a net increase resulting from an estimated cost of $462,000 to add 8 U.S. and 97 Micronesian positions to the education staff less a decrease of $198,450 for 8 U.S. and 5 Micronesian positions no longer required. Of the additional positions required, one U.S. and 37 Micronesian positions are needed in the elementary school program, and 7 U.S. and 50 Micronesian positions are required in the secondary school program to meet increased enrollment anticipated in these schools in FY 76. Of the remaining 10 additional Micronesian positions required, 9 are needed on the staff of the Micronesian Occupational Center due to its expected increase in enrollment in FY 76, and the remaining new Micronesian position is required on the education administration staff. The position to be abolished in FY 76 to partially offset these new positions are: 3 U.S. educational specialist positions, 4 U.S. teaching positions at the Micronesian Occupational Center, and one U.S. and 5 Micronesian positions no longer required due to the closing of the Micronesian Maritime Center. The $215,050 balance of the FY 76 increase over FY 75 is also a net increase resulting from an increase of $247,100 required for additional supplies and materials due to increasing enrollment ($197,000), additional equipment ($20,000) and increased travel costs due largely to experienced fare increases ($30,100) which is partially offset by savings amounting to $32,050 to be realized primarily by the closing of the Micronesian Maritime Center. The public elementary school program, grades 1 through 8, serves an estimated FY 76 enrollment of 29,000 children in 224 schools containing 1,175 classrooms. The public secondary school program, grades 9 through 12, serves an estimated FY 76 enrollment of 6,300 children which is limited on a selective basis due to the present paucity of secondary school facilities which is being remedied by an accelerated program of secondary school construction. The Micronesian Occupational Center, located in the Palau District, provides training in 22 trades for an estimated FY 76 enrollment of 400 students housed in 4 dormitories. Micronesia's only college, the Community College of Micronesia located in the Ponape District, provides an estimated enrollment of 122 students with a two-year course of study specializing in elementary teacher education leading to an Associate in Science degree in Education. To summarize, we are especially proud of the Trust Territory's educational system which has made great progress in recent years in providing educational opportunities for the children and young adults of Micronesia.

PUBLIC WORKS

The second largest portion of our FY 76 requirement of $55 million for operations is the $11.8 million (or 21.4% of total operations) required to support our Public Works program. This is a net increase of $3.8 million over the funds provided in our initial FY 75 appropriation to support this program. Of that increase, $76,600 is required for 33 additional Micronesian tradesmen positions required to maintain and operate new facilities and expanded utility systems in the various District Centers. The bulk of the increase, $3.7 million, is a net increase over FY75 resulting from: (1) increased costs of $4.2 million for diesel fuel, gasoline, lubricants, supplies (lumber, cement, asphalt, etc.) and equipment (including spare parts) required to maintain and operate government buildings, airports, roads, bridges, docks, harbors, power plants and power lines, water supply and sewage systems, telephone exchanges, vehicles, small boats, etc. required throughout the Trust Territory to provide vital public services; (2) less anticipated revenues of $460,800 derived from utility customers--an increase over FY 75 collections based largely on expansion in the number of people served rather than increases in utility rates although it is becoming obvious that consideration will have to be given at an early date to raising utility charges to rates more commensurate with the greatly increased costs of providing these services in recent months due largely to fuel and supply price increases. To summarize this category of our operating costs, I think it is fair to say that while these costs take a substantial portion of our total funds, these are very basic requirements underlying virtually all of the government services the Trust Territory Government is obliged to provide the people of Micronesia under the terms of the Trusteeship Agreement. Stinting on the costs of providing for the necessary maintenance of facilities, to which the climate and remoteness of Micronesia contributes heavily in making these costs well above usual norms, results in rapid deterioration of these facilities requiring eventual rehabilitation and even replacement, of facilities at a far higher cost than costs incurred for their proper maintenance. While the net $3.8 million increase in these costs in FY 76 over FY 75 represents a 47.6% cost increase for this program, and is 91.4% of the net $4.2 million increase in our total FY 76 operating costs over the FY 75 support level, we can see no alternative but to make this heavy investment in order to provide the minimum funds necessary for the required operation and maintenance of our basic infrastructure.

HEALTH

Nearly 16% of our FY 76 operating costs, or $8.7 million, is required for the provision of vitally necessary health services for the people of Micronesia. This is $19 million (an increase of 11.7% over the FY 75 funding level, but 22.1% of the net $4.2 million increase in our FY 76

operations funding over FY 75) higher than the $7.8 million provided in our initial FY 75 appropriation for health services. This increase consists of (1), a net $202,300 increase required for 66 additional Micronesian nursing and paramedical positions needed to meet the growing hospital and dispensary workload anticipated in FY 76, less one U.S. position in health services administration; and (2), a $716,800 increase in FY 76 costs for medical referrals (patients treated at hospitals outside the Trust Territory for conditions which hospitals in the Trust Territory are not equipped to treat), medical and surgical supplies and equipment, and dental supplies and equipment. The latter increase is due not only to growth in patient workloads and expanded facilities but even more to the great increase in the prices of medical and dental supplies and equipment as well as greatly increased costs for the transportation and treatment of referred patients experienced from FY 74 to the time of the FY 76 budget was prepared. The xis district hospitals have a total of 498 beds available and the sub-hospitals at Rota, Ebeye and Kusaie have 48, for a total bed availability of 546. In FY 74, there were more than 15,000 patient admissions, and over 321,000 outpatient visits, to these facilities. The outer-island dispensary program, in which 171 dispensaries are manned by trained MEDEX personnel, Health Assistants and Nurses, provide primary health care and services to over 50,000 persons who live on the outer islands. As with our health services program and feel that it has, and is, doing a remarkable job in upgrading health care and the health of the people of Micronesia despite the widespread dispersion of the population and the limited resources available to support the program. It might be noted that the $8.7 million requested for FY 76, when divided by the present 115,000 population of Micronesia, provides for an expenditure of only $76 per person--hardly, we submit, an exorbitant expenditure per capita.

ADMINISTRATION

The next largest cost in our FY 76 operations program is just under $6 million required for the administration of the Trust Territory Government (excluding the Legislative Branch which is supported from local revenues). This amount is $.6 million more than the FY 75 support level required for administration, and $238,200 (or 38.8%) of this increase is due to the establishment of the Office of the Territorial Planner and Planning Offices in each of the Districts. The transfer of the 8 U.S. and 13 Micronesian positions, formerly funded under the Capital Improvement Program from construction overhead funds, are required to staff these offices. The office was established pursuant to Public Law 5-78, Congress of Micronesia, to give impetus to the preparation of a comprehensive and balanced development policy and plan for Micronesia. The second largest part of the required increase in FY 76 for administration is a net $147,500 increase resulting from: (1), an increase of $95,100 for 2 U.S. and 6 Micronesian positions, partially offset by a decrease of $55,900 for 3 U.S. positions no longer required, resulting in a net increase of $39,200 for

personnel changes; and (2), an increase of $121,800 for equipment ($68,800), supplies ($15,400), printing ($8,300) and $29,300 for travel and other support items, partially offset by a reduction of $13,500 for consulting services, resulting in a net increase of $108,300 for non-personnel support costs. The next largest category of increased FY 76 costs is $140,000 required for leased housing costs. The largest part of that increase is $77,500 required to pay for all of FY 76 increases in lease costs experienced during part of FY 75, and the $62,500 balance of the increase is required to lease an estimated 25 housing units for Micronesian employees whose duty stations are outside their home districts and are, therefore, eligible for government-provided housing. Finally, the remaining $88,200 of the increased support level required for administration in FY 76 is divided between: (1), a $60,000 increase needed to cover experienced increases in tuition, boarding and travel costs which comprise the educational allowances for eligible dependents of expatriate employees; and (2), the $28,200 balance which is needed for additional costs anticipated in payments required for pensions and death benefits for Micronesian employees under the Trust Territory public service system.

TRANSPORTATION AND COMMUNICATIONS

Our transportation and communications FY 76 program costs total $3.8 million and constitute just under 7% of our required FY 76 operations support level. This is an increase of $458,400 (or 13.8%) over estimated FY 75 costs and is a net increase derived from: (1), an increase of $483,200 in sea transportation costs based on experienced sharp increases in the prices of fuel, lubricants, ship repairs, supplies and equipment noted in comparing FY 75 costs with FY 74 costs at the time the FY 76 estimates were being developed; (2), an increase of $13,100 for 6 additional Micronesian positions required to extend in FY 76 the Trust Territory communications system to Kusaie in preparation for the establishment of Kusaie as a separate district; and (3), a decrease of $37,900 due to the termination of 5 U.S. positions. The geographic dispersion and remoteness of the islands of Micronesia make transportation and communications a vitally necessary support service underlying all efforts to facilitate accomplishment of program objectives throughout the Trust Territory. Interisland sea transportation in FY 76 will be provided by a government-owned fleet of 11 ships including the newly built MS MICRONESIA PRINCESS. The other 10 ships are of varying ages, mostly obsolete and undependable so that it is nearly impossible to maintain frequent and reliable interisland shipping services on a regular schedule, but every effort will be made to maintain a 45 to 60 day service to most inhabited islands in the Trust Territory with the funds requested for FY 76. The primary communications system of the Trust Territory consists of major radio stations in each of the district centers which provide quality voice and data service into and through the major relay control center on Saipan which interfaces with other governmental

and commercial worldwide communications systems. The secondary communications system consists of over 250 small radio stations located mostly on the outer islands to maintain communications among these islands and between them and the district centers. Given the ever-present potential for medical emergencies, epidemics, natural disasters and shortages of food and water which can, and frequently do, endanger the lives of the 50,000 people living on these islands widely scattered over three million square miles of the Western Pacific, the vital necessity of maintaining a viable transportation and communications system throughout the Trust Territory can be readily appreciated.

PROTECTION TO PERSONS AND PROPERTY

The remaining program for which additional operating funds over the FY 75 support level are required for FY 76 is the protection to persons and property program for which $2.9 million is requested, a net increase of $214,000 (or 8.1%) over FY 75 resulting from: (1), $41,000 required for 15 additional Micronesian positions (5 policemen, 4 firemen, 4 immigration inspectors and 2 prosecutors); (2), full-year funding in FY 76 of U.S. public defender positions filled during FY 75, $13,000; (3), $128,700 needed for the purchase of 2 fire trucks, additional police vehicles, radio and other equipment; and (4), a net increase of $31,300 to cover experienced price increases for necessary supplies, travel, printing and other services. Of the total increase, $188,900 (or 88.3%) is required to meet additional public safety costs due to rising crime rates in Micronesia, particularly among juveniles, and the increasing incidence of felonies. To meet this growing challenge to law and order, additional law enforcement manpower and training muct be provided.

RESOURCES AND DEVELOPMENT
PUBLIC AFFAIRS

The two programs for which less funds are proposed to be made available in FY 76 than were made available for the current year are the Resources and Development program and our Public Affairs program. The decrease amounts to $2.3 million, and $2.1 million (or 88.1%) of that is in the FY 76 Resources and Development program for which $5.7 million is requested. The $2.1 million decrease is actually a net figure resulting from: (1), a net increase of $47,900 in personnel costs to add 18 Micronesian positions in 6 sub-program areas ($74,900), for full-year funding in FY 76 of positions filled during part of the current year ($13,900), partially offset by the elimination of one U.S. employee ($40,900); (2), an increase of $27,100 for travel ($4,300), printing ($1,100), contractural services ($14,000), supplies and materials ($4,300) and employee training ($3,400); and (3) a decrease of $2,128,900 due to substantially reduced requirements in FY 76 for contractural

services, as well as the elimination of one U.S. and two Micronesian positions, associated with the accelerated lands and surveys program for which substantial funds were provided during the current year. From these changes in the funding of this program it can be seen that we do not propose any major revision in the thrust of the Resources and Development program in FY 76; it will continue to be the focal point for assisting in the economic development of Micronesia so that its future self-government will be largely economically self-sufficient. The decrease of $276,300 in FY 76 funding for the Pueblic Affairs program, for which $1.7 million is requested, is a net figure derived from: (1) elimination of the Housing Loan Fund in order to allocate the $250,000, which would otherwise have been required for the fund in FY 76, to higher priority operating programs; and (2) a net decrease of $26,300 resulting from the addition of 10 Micronesian positions mainly in the civic affairs sub-program ($35,000), increased travel and support of the outer-island community development self-help sub-program ($12,500), with both of these increases more than offset by savings of $73,800 resulting from the elimination of 4 U.S. positions. Again, we are not proposing any major revision in the Public Affairs program; it will continue to be the focal point for assisting the people of Micronesia to understand and participate in the affairs of their government at the territorial, district and municipal levels.

LOSS INCURRED ON TRANSPAC OPERATIONS

Senator STEVENS. You mentioned Trans-Pacific Lines, and I am told they cost us about $1.5 million. We would like to have more on that than the footnote in your justification, on how that happened and what is the result as far as the future is concerned in terms of the failure of the Trans-Pacific Lines. Would you do that, please?

Commissioner JOHNSTON. Yes, we will.

[The information follows:]

TRUST TERRITORY OF THE PACIFIC ISLANDS

TRANSPAC RECEIVER FUNDING

Details on the rise and fall of the Trans-Pacific Line, Inc. (TRANSPAC) are provided in appendix 10 of the joint opening statement of Assistant Secretary Hughes, Department of the Interior, and High Commissioner Johnston, Trust Territory of the Pacific Islands, at the Trust Territory oversight hearings held by the Senate Interior and Insular Affairs Committee on March 10, 1975—a copy of which has been provided the Senate Subcommittee on Interior Appropriations. Also, on page 70 of that document, there is a discussion of the $945,000 item to cover TRANSPAC receiver costs which is included in the $15 million increased authorization for fiscal year 1975 proposed in S. 983, introduced on March 6, 1975.

To supplement that discussion, the following details are provided. At June 30, 1974, the total receivables due the Trust Territory government from TRANSPAC amounted to $1,578,563. Since about $100,000 may be recovered through the receiver and a bad debt reserve of $470,234 was available to partially offset this uncollectable receivable, it was determined that it was necessary to record an obligation of $1 million against the grant-operations subaccount in closing the books for fiscal year 1974. Since that subaccount had an unobligated balance of only about $55,000 prior to closing the books, an approximate $945,000 overobligation was recorded when the books were closed on that account. However, there was about a $3.5 million unobligated balance in the grant-capital improvement subaccount for projects which had not reached the contract stage at June 30, 1974. Offsetting the $945,000 overobligation in the grant-operations subaccount against the $3.5 million unobligated balance in the grant-capital improvement subaccount resulted in a net $2.5 million unobligated balance in the grant account as a whole.

Rather than to seek a reprograming of $945,000 of the unobligated balance of the grant-capital Improvement subaccount to cover the deficit in that amount in the grant-operations subaccount, which would require seeking funds at a later date to restore deferred projects to the capital improvement program, it was decided to request funds in a fiscal year 1975 supplemental appropriation to cover this deficit. If the requested supplemental funds are not provided, it will be necessary to submit the previously mentioned reprogramming request and to seek at a later date an equal amount of funds to provide for the construction of projects deferred in accordance with the proposed reprograming.

CATEGORICAL GRANT FUNDING

Senator STEVENS. Last year, we appropriated $700,000 to replace expected losses in categorical grants. How did you spend the $700,000? And we note you did not request it again this year.

Commissioner JOHNSTON. It was primarily spent in hospital and school food service programs which were temporarily dropped and we used the money—but now that is being picked up under a new program, and we are picking it up under the regular project.

Congressman SETIK. On your question regarding why there is no request this year, is because the legislation has expired as of 1975.

Senator STEVENS. No further authorization for that item?

Congressman SETIK. No.

Commissioner JOHNSTON. No. I believe the original request which originated in the House of Representatives, Mr. Chairman, was for $10 million. We have never requested more than $700,000 of it. That apparently will be the sole request under that program.

Senator STEVENS. If there is any question about that, if there is any remaining authorization in that bill, will you tell us about that?

Commissioner JOHNSTON. We certainly will. At the time, Mr. Chairman, you will recall, revenue sharing was becoming a way of life and Micronesia did not participate in either the general or special revenue sharing at that point. There was some doubt of whether we would be losing out on Federal grants we had come to rely on and it did not work out as disastrously as we had anticipated.

[The information follows:]

TRUST TERRITORY OF THE PACIFIC ISLANDS

CATEGORICAL ASSISTANCE PROGRAM FUNDING

In addition to the $60 million appropriated for fiscal year 1975 to support our current year operating and capital improvement programs, $700,000 was appropriated " * * * to effect reductions in, or termination of, Federal grant-in-aid programs or other funds made available to the Trust Territory of the Pacific Islands by other Federal agencies * * *" When it became evident in mid-January, 1975, that surplus foodstuffs, which the U.S. Department of Agriculture had been supplying our hospitals and schools to assist in their patient and student food service programs, were coming into short supply, we ascertained from the western regional office of the USDA that surplus food stocks would shortly no longer be available for donation to our hospitals and schools. This information was the basis for our requesting release of the $700,000 made available to remedy the termination of such Federal assistance programs. With the release of these funds, we expect to be able to continue the hospital and school food service programs through the end of fiscal year 1975 by procuring the necessary foodstuffs through commercial channels.

At the time the fiscal year 1976 budget was being developed, it was not clear what the outlook was for continuation of those Federal grant-in-aid programs in which the Trust Territory had participated since the question of general revenue sharing versus grant-in-aid programs had not been decided at the Federal level. Accordingly, we have not requested any general appropriation authority or funds for fiscal year 1976 to offset the possible termination of our participation in such programs pending the outcome of decisions on the continuation of these programs. Should it develop that such programs will, in fact, be terminated, we plan to recommend the submission in fiscal year 1976 of proposals for the necessary authorization and appropriations required to offset the effects of the termination of these programs.

INCREASE IN HIGH COMMISSIONER'S OFFICE FUNDING

Senator STEVENS. I just have three more questions, gentlemen.

Now, Mr. Commissioner, what are you going to do with the $3,500 increase for your own office budget?

Commissioner JOHNSTON. That is largely in the field of consultants and experts we have to bring in from time to time.

Senator STEVENS. Does it have anything to do with transition?

Commissioner JOHNSTON. No, sir; economics primarily, the pay scale levels. It would have nothing to do with transition. The transition expenses are budgeted separately.

ECONOMIC DEVELOPMENT LOAN FUND

Senator STEVENS. You have asked for $1 million for the economic development fund. I am told you still have a cash balance in that fund of $1.1 million. Why do you need another million dollars when you have your $1.1 million balance?

Commissioner JOHNSTON. Temporarily there is a balance in the economic development fund because of the insistence on the part of our Economic Development Loan Board that each district reduce its delinquency rate to below 20 percent before they can utilize any more loans.

We have been extremely successful in that program. The gentleman who supervises the credit union and co-op program has gone around through each one of the districts, working with the people who are delinquent on their loans, showing them how to get caught up and readjusting their payments or something so the delinquency rate is picked up to where we can again start loaning the money.

We have more requests for loans than the $1.1 million we have and the $1 million requested. There would be no trouble in loaning it out.

Senator STEVENS. If we give you another million, will you establish a rate of $2.1 million? Will it lead to an increase in the request next year?

Commissioner JOHNSTON. This is the final increment of the program of 5 years ago, $1 million a year for 5 consecutive years upon presentation each year of a plan to spend it. We had to give percentages that will go for general categories such as general merchandising, marine resources, and so on. This is the final request under Public Law 92–527.

Senator STEVENS. Have you gotten your request each year; this is the last of your 5 years?

Commissioner JOHNSTON. Right.

Senator STEVENS. It expires and this is the last appropriation?

Commissioner JOHNSTON. Fiscal year 1976 is the last appropriation.

MICRONESIAN WAR CLAIMS FUND

Senator STEVENS. The last question relates to the Micronesian Claims Fund. You have a $10-million request and it is followed by a transition period estimate of another $8.6 million. Is that annual $8.6 million?

Commissioner JOHNSTON. No.

Senator STEVENS. A one-shot $8.6 million?

Commissioner JOHNSTON. Yes; the total authorized under the post-secure claims. Earlier, we mentioned the agreement with Japan which provides funds to pay 10 to 12 million claims that occurred during World War II. In title II of the bill, what we call postsecure claims which are the total responsibility of the U.S. Government, the maximum authorization was $20 million to pay such claims.

Senator STEVENS. And this will fulfill that authorization, this $10-million request?

Commissioner JOHNSTON. We requested and we got $1.4 million for fiscal year 1975. We are requesting $10 million for fiscal year 1976 and the balance of $8.6 million is in our request after that.

Senator STEVENS. The transition period?

Commissioner JOHNSTON. In the transition quarter, yes.

Senator OLTER. Yes.

Senator STEVENS. Can you obligate it all by October 1976 when the Claims Commission expires?

Commissioner JOHNSTON. We are obligated by law to do so. The Claims Commission goes out of business on that date and they have to make all of their awards. If the awards exceed $20 million, we will pro rate them and each person will get his or her pro rata share of the total amount of the award.

Senator STEVENS. Very well, gentlemen. I appreciate your appearance here, Mr. Rice and Mr. Johnston.

Commissioner JOHNSTON. I am pleased also that Senator Olter and Congressman Setik participated.

Senator STEVENS. Gentlemen, I want to assure you we are trying to help. I would like to make sure that what we do agree with you on does survive when it gets to the floor of the Senate.

Now, if you will supply the information we asked for, Mr. Johnston. If you have any further comments, we will be happy to receive them. It is my understanding that tomorrow morning we will have other hearings for the subcommittee, but we will continue tomorrow afternoon with hearings on American Samoa and other territorial affairs matters.

We appreciate your appearance and I appreciate personally your patience in the times we have had votes.

SUBCOMMITTEE RECESS

Commissioner JOHNSTON. Thank you, Mr. Chairman, and rest assured we will take your suggestions seriously about the tuna boats.

[Whereupon, at 4:07 p.m., Wednesday, March 19, the subcommittee was recessed to reconvene at 10 a.m., Thursday, March 20.]

51-957 O - 75 - pt. 3 - 23

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1976

THURSDAY, MARCH 20, 1975

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

The subcommittee met at 10 a.m. in room 1114, Everett McKinley Dirksen Office Building, Hon. Ted Stevens presiding.

Present: Senators Stevens and Chiles.

DEPARTMENT OF THE INTERIOR

U.S. FISH AND WILDLIFE SERVICE

STATEMENT OF:
NATHANIEL P. REED, ASSISTANT SECRETARY FOR FISH AND WILDLIFE AND PARKS, DEPARTMENT OF THE INTERIOR
LYNN A. GREENWALT, DIRECTOR, U.S. FISH AND WILDLIFE SERVICE

ACCOMPANIED BY:
F. EUGENE HESTER, ASSOCIATE DIRECTOR, ENVIRONMENT AND RESEARCH
KEITH M. SCHREINER, ASSOCIATE DIRECTOR, FEDERAL ASSISTANCE
MICHAEL J. SPEAR, ASSISTANT DIRECTOR, PLANNING AND BUDGET
HARVEY K. NELSON, DEPUTY ASSOCIATE DIRECTOR, FISH AND WILDLIFE MANAGEMENT
HOWARD N. LARSEN, DEPUTY ASSOCIATE DIRECTOR, FISH AND WILDLIFE MANAGEMENT
ALLAN HIRSCH, CHIEF, OFFICE OF BIOLOGICAL SERVICES
FRANCIS WILES, DIRECTOR OF BUDGET, OFFICE OF THE SECRETARY

BUDGET REQUEST

Senator STEVENS. Good morning. I am sorry for the delay. Senator Byrd has a rules committee meeting, and he cannot be here now. He indicated he will try to be here as soon as he is free.

This is the time scheduled for the hearing of the fiscal 1976 budget estimates of the U.S. Fish and Wildlife Service. They total $119,160,000, and this is an increase of $2,987,000 over appropriations to

date for the current year. The justifications have been included in part 1 of the record (pp. 189–271).

PREPARED STATEMENT

We are happy to have with us this morning Assistant Secretary Reed, along with the top people of the Fish and Wildlife Service.

May we have your statement first, Mr. Secretary, and we will proceed with some questions on your statement, and then we will go to Director Greenwalt and the regular budget examination. Under the circumstances, Mr. Secretary, if you agree, we will print your full statement in the record and we will hit the high points.

[The statement follows:]

Mr. Chairman, I am delighted to have the opportunity to come before you and members of this Subcommittee for a discussion of the programs and budget requests of the Fish and Wildlife Service. With me today are representatives of the Fish and Wildlife Service.

Last year I introduced Lynn Greenwalt as the new Director of the Bureau of Sport Fisheries and Wildlife. This year he comes before you as Director of the U. S. Fish and Wildlife Service. As you may recall, Congress enacted legislation that changed the name of the Bureau.

Inasmuch as this is my first appear ance before the Committee since you were selected as its chairman, I would like to express my great pleasure in that selection. I am also very happy to see the addition of Senators Mansfield and Hollings to the Committee, as well as the retention of Senators McClellan, McGee, Montoya, Inouye, Chiles, Stevens, Young, Hatfield and Bellmon. We look forward to working with you toward the mutual objective of providing for the Federal programs associated with the conservation, development and utilization of fish, wildlife, recreation, historical and National Park System resources of the Nation.

We will miss Senator Bible. He was especially helpful in the consideration of our problems and budgets. I want to express our sincere appreciation for that help and also wish him well in his future endeavors.

The formulation of our budget for Fiscal Year 1976 has been a difficult experience. The Nation was faced with simultaneous runaway inflation and growing recession. The attention of the Administration and the Congress has been focused on such major problems as well as the need for energy. Consequently, the importance of protecting our Nation's flora, fauna, natural habitat and cultural resources is of necessity relegated for resolution later. We are accordingly maximizing our efforts in a few of our most critical program areas.

My program jurisdiction in the Department of the Interior covers the protection, conservation and utilization of the natural environment entrusted to the Fish and Wildlife Service and the National Park Service as well as the planning, coordination and development of effective outdoor recreation programs.

The sum total of the Fiscal Year 1976 budget requests for my three Bureaus is approximately $784 million, or 0.2% of the total Federal budget of approximately $350 billion. Our part is small but nevertheless important and decidedly essential.

The U. S. Fish and Wildlife Service as presently constituted was established on July 1, 1974. However, its history as an effective organization goes back to 1871. It proposes a Fiscal Year 1976 appropriation request of $131.2 million, an increase of $300,000.

The Service's budget places a major emphasis on biological services, endangered species, anadromous fish grants, and rehabilitation at nine wildlife refuges with a decrease in capital improvement and wetland acquisition programs.

The Fish and Wildlife Service has the Federal responsibility for wild birds, mammals (except for whales, seals and sea-lions), inland sport fisheries and specific fishery research activities to assure maximum opportunity for the American people to benefit from fish and wildlife resources as a part of their natural environment. Within this framework, the Service assists in the development of an environmental stewardship ethic for our society based on ecological principles, scientific knowledge of wildlife, and a sense of moral responsibility. It guides the conservation, development, and management of the Nation's fish and wildlife resources, and administers a national program which provides opportunities to the American public to understand, appreciate, and wisely use these resources. The Service enforces many critically important Federal wildlife laws, for example, those involving illegal hunting and endangered species.

The Fish and Wildlife Service has concentrated its request for increases on areas which can most effect fish and wildlife from the national perspective. I would like to emphasize three specific examples.

The National Wildlife Refuge System is vital to the attainment of many of the objectives of four of the Service's major programs. Refuges, in general, are operating at levels far below their capacity to produce wildlife benefits to the public. Furthermore, maintenance funding has not kept pace with cost escalation. The situation has led to diminished public use benefits, safety hazards, and generally lowered operational efficiency. As we have seen recently, this situation must eventually lead to a level of management and maintenance below caretaker status. Therefore, I believe it is vital that an increase of $423,000 be appropriated to enable the Service to maintain these facilities as we believe they need be.

A second topic which I specifically want to bring to your attention is the Biological Services program. Last year the appropriation included an increase of about $4 million to begin

this important program. This year the Service has requested an increase of $4.2 million for this program. I believe this reflects the judgment by many of the professionals in the field that the long run threats to the viability of fish and wildlife populations may result more from loss of habitat caused by massive developments, such as energy research and development, than from any other single cause. The additional funds requested for Fiscal Year 1976 will be specifically targeted on investigations of the ecological consequences of energy development. The emphasis will be on providing basic data or methodologies which have broad applicability.

Some examples of the work started in Fiscal Year 1975 are:

(1) Power plant siting -- beginning with an estuary and a projected power demand over several decades; spawning grounds, distributions of young fish, and other factors will be mapped and then sitings will be proposed to minimize harmful effects. At present it seems that we locate a site and then engineer-out the environmental factors.

(2) Geothermal leasing -- studies will begin to identify the environmentally sensitive areas within the geothermal areas.

(3) Outer Continental Shelf development -- the Service is conducting major seabird surveys to determine distribution and abundance in those areas which may be affected by future oil drilling activities. Also, important basic research on the chronic effects of small amounts of hydrocarbons on bird physiology are being conducted.

(4) Western coal development -- the Northern Great Plains Resource Program, a multi-bureau endeavor, has recently developed an interdisciplinary study of the broad effects of coal development in this area. The Service will follow-up with a more intensive evaluation of the representative ecosystems. For instance, infra-red remote sensing techniques will be used to determine the location of environmentally sensitive habitat on the Fort Union coal deposits so that this habitat will be given a low priority for leasing.

An important aspect of the Biological Services program is that it is and will be managed to influence decisions. The Fish and Wildlife Service has very strong responsibilities under NEPA, the Fish and Wildlife Coordination Act and the Endangered Species

Act to review the effects of projects on fish and wildlife. Other agencies look to the Fish and Wildlife Service to provide information such as the distribution and habitat requirements of various populations, even where these agencies are doing their own research.

Similarly, using vehicles such as NEPA and various permit processes the Fish and Wildlife Service is able to provide valuable information to those who have the regulatory responsibility.

Another very important obligation of the Service is the protection of endangered species. A little over 14 months ago Congress passed a very complex and comprehensive law providing very exacting procedures to be followed. The procedures have been developed and we feel we are now on firm foundation to make great strides in this program in the near future. The additional $1.7 million in this budget is essential to maintain the momentum of this program.

The Fish and Wildlife Service has an important role within the Department of the Interior because so many of the Department's activities have such a significant effect on fish and wildlife. In addition, the programs touch 33 million fishermen, 14 million hunters, 7 million bird watchers, 5 million photographers and 27 million nature walkers.

Mr. Chairman, I realize that I have given a rather brief overview. In the event that I did not touch upon any program or policy that may be of interest to you and the other members of this Committee, I want to assure you that my associates and I will be happy to respond to any questions that you have.

INTRODUCTION OF ASSOCIATES

Secretary REED. I am delighted to have the opportunity to come before you and the members of this subcommittee for a discussion of the programs and budget requests of the Fish and Wildlife Service.

With me today is the distinguished Director of that Service, Mr. Lynn Greenwalt. Last year, Lynn appeared as Director of the Bureau of Sport Fisheries and Wildlife. Congress enacted legislation that changed its name effective July 1, 1974, to the U.S. Fish and Wildlife Service.

Lynn is continuing admirably in broadening the mission of the Service started by his predecessor, Spencer Smith. In his third year as Director, Lynn is beginning to unravel the many problems faced by the Service due to serious overcommitment.

I am indeed proud of the professional and support personnel of the Service who assist the Director in the planning and management of their important natural resource programs. One of the great pleasures of my tenure has been the opportunity to be associated with the dedicated, capable employees of the Service who, in my judgment, are among the singularly most dedicated members of the Federal Government.

OPENING COMMENTS

Inasmuch as this is my first appearance before the subcommittee since Senator Byrd was selected as its Chairman, I would like to express my pleasure at his selection.

I am also very happy to see the addition of Senators Mansfield and Hollings to the subcommittee as well as the retention of such stalwarts as Senators McClellan, McGee, Montoya, Inouye, Chiles, you, Senator Stevens, as well as Senators Young, Hruska, Hatfield and Bellmon.

We look forward to working with you toward our common objective of providing for the Federal programs associated with the conservation, development and utilization of fish, wildlife, recreation, historical and National Park System resources of our great Nation.

We will miss, as I am certain you and other members of the subcommittee will, the pleasure of working with Senator Bible. He was especially helpful in the consideration of our problems and budgets. I want to express our sincere appreciation for his and your help. I also want to wish him well in his future endeavors.

FORMULATION OF FISCAL YEAR 1976 BUDGET

The formulation of our budget for fiscal year 1976 has been a difficult experience. Quite frankly, one of my great disappointments during my tenure thus far is the necessity to cope with austerity budget years. When I was appointed I quickly learned that my programs seriously needed a transfusion of blood—in the form of additional money and manpower—to bring them up to what I believed was necessary for normal or standard operational levels.

To complicate the situation we have been given additional responsibilities in the form of new or expanded programs.

In no way am I complaining that I haven't been treated fairly in the formulation of our budget. I realize that in the formulation of the

budget before you, for example, and the budgets for the National Park Service and the Bureau of Outdoor Recreation that will be the subject of later hearings, that the Nation was faced with simultaneous runaway inflation and growing recession.

The attention of the administration and the Congress has been, and must be, focused on such major problems as well as the need for energy. Consequently, the importance of protecting our Nation's flora, fauna, natural habitat, and cultural resources is, of necessity, being assigned a lower priority.

We are, accordingly, maximizing our efforts in a few of our most critical program areas. And, in my opinion, the establishment of priorities is the way we must go. Our job is to detail to you what we can and should do, and what we cannot do.

Briefly, my program jurisdiction covers the protection, conservation, and utilization of the natural environment entrusted to the National Park Service and the Fish and Wildlife Service—as well as the planning, coordination, and development of needed outdoor recreation programs.

The total spectrum includes enforcement, research, Indian and State assistance, hatcheries, coastal zone, predators, and wildlife diseases, to name just a few.

The sum total of the fiscal year 1976 appropriation requests in our budgets for the three bureaus in my program area is approximately $784 million, or 0.2 percent of the total Federal budget that approximates $350 billion. Our portion is small but nevertheless important and decidedly essential. Our obligation is to the America public for the proper management of the National Park Service areas and wildlife refuges of the Fish and Wildlife Service and to the wildlife that shares our air, land, and waters.

FISH AND WILDLIFE SERVICE

The U.S. Fish and Wildlife Service has an organizational history that goes back to 1871. For fiscal year 1976, the Service appropriation request is $131.2 million, an increase of $300,000. Faced with overcommitment in almost all areas of its activities—enforcement, refuge management, research, coastal zone, endangered species, exotic species, waterfowl management—Director Greenwalt and I had to carefully select priorities. We chose to reduce the capital improvement appropriation from $11.4 million to $3.2 million and the wetlands acquisition program from $13 million to $12 million. We did not request the use of advance authority which amounted to $1 million in fiscal year 1975.

The Service's budget increases are proposed for biological services, endangered species, anadromous fishery grants to the States, and rehabilitation at nine wildlife refuges.

NATIONAL WILDLIFE REFUGE SYSTEM

Basically, the National Wildlife Refuge System is vital to the attainment of many of the objectives of the Service's major programs. Refuges, in general, are operating at levels far below their capacity to produce wildlife benefits.

Furthermore, maintenance has not kept pace with the normal schedule. We all understand that it is easy to postpone a paint job or minor repairs during austere budget years. However, the day of reckoning approaches sooner or later and the catchup work is more extensive and also more expensive. This year, we propose an increase of $423,000 for such maintenance. Deferral of maintenance leads to diminished public use benefits, safety hazards, and generally lowered operational efficiency. This situation should not be allowed to continue.

To realistically quantify real needs in comparison to a "wish" list, I have instructed Director Greenwalt to assemble a hard-nosed task force to examine legitimate needs and to make a report to me, the Secretary and the Office of Management and Budget.

BIOLOGICAL SERVICES PROGRAM

I would like to mention briefly the important biological services program. Last year, the appropriation included an increase of about $4 million to begin this essential work. This year, the Service has requested another increase of about $4.2 million. This reflects the judgement by many of the professionals in the field that the long-run threats to the viability of fish and wildlife populations may result more from the loss of habitat caused by massive developments, such as energy research and development, than from any other single cause.

The funds requested will be specifically targeted on investigations of the ecological consequences of energy development and ways to minimize or mitigate that impact on wildlife populations and habitat.

An important aspect of the biological services program is that it is and will be managed to influence decision. The Service has strong responsibilities under NEPA, the Fish and Wildlife Coordination Act, and the Endangered Species Act to review the effects of projects on fish and wildlife. Other agencies look to the Service to provide information such as the distribution and habitat requirements of various populations, even where these agencies are doing their own research.

Mr. Chairman, you and the members of the subcommittee are particularly aware of the Fish and Wildlife Service's responsibility to review over 35,000 Corps of Engineers permit applications for work in the Great Lakes and the coastal zone. If this Nation's invaluable renewable living marine resources, which are totally dependent upon the coastal ecosystems, are to be preserved, this vital Fish and Wildlife Service mission must be given greater emphasis. Similarly, using vehicles such as NEPA and various other permit processes, the Service is able to provide valuable information to those who have the regulatory responsibility.

ENDANGERED SPECIES

Another very important obligation of the Service is the protection of endangered species. A little over 14 months ago, the Congress enacted a very complex and comprehensive law that provides very exacting procedures to be follow. The procedures have been developed and we believe that we are now on firm foundation to make significant

strides in this program. The additional $1.7 million requested in this budget is essential to maintain the momentum of this program.

IMPACT OF FISH AND WILDLIFE PROGRAMS

Mr. Chairman, the Fish and Wildlife Service has a most important role within the Federal Government because so many activities have such a significant effect on fish and wildlife.

In addition, the programs touch 33 million fishermen, 14 million hunters, 7 million birdwatchers, 5 million photographers, and 27 million nature walkers.

Mr. Chairman, this completes my rather brief highlight statement. My associates and I will be glad to discuss with you any program or policy that may be of interest to you and the other members of this subcommittee. Director Greenwalt also has a statement on his budget request. Thank you.

Senator STEVENS. Let's hold up, if you will, Mr. Secretary, and deal with your statement. Senator Chiles, do you have any questions?

OCS BASELINE STUDIES

Senator CHILES. I wanted to find out about the baseline studies on the gulf coast area.

Secretary REED. On the Outer Continental Shelf?

Senator CHILES. Yes. What is the status of them for Florida?

Secretary REED. Dr. Hirsh, would you reply to that for the Senator?

Dr. HIRSCH. The principal responsibility for conducting those baseline studies resides with the Bureau of Land Management. The Fish and Wildlife Service, along with other agencies such as the Geological Survey, do participate to varying extents in those studies. In the MAFLA area, which is the northeastern Gulf of Mexico, is where the first baseline studies were initiated in the summer of 1974, and these studies have been completed by the Bureau of Land Management. They are now entering into a second phase of trying to extend those initial studies, and make them much more thorough, much more complete, and so on.

Now, studies are starting in the south Texas part of the Gulf of Mexico, in the Gulf of Alaska, in the Bering Sea, the Beaufort Sea, and southern California and the Mid-Atlantic as additional frontier areas come into consideration.

Senator CHILES. When would you expect these studies in the northeast gulf second series to be completed?

Dr. HIRSCH. I think there is still considerable debate and discussion as to just how extensive those studies need to be. I think there is a finite termination point. Some people have estimated it will take at least 5 years to be able to understand what is happening there, and on this whole study program there has been a great deal of discussion. There has been an Outer Continental Shelf Research and Advisory Board in the Department of the Interior which debates these issues and tries to provide advice to the Bureau of Land Management. I think these studies, in my own judgment, will have to continue for some time before there is adequate information to understand what is happening there.

Senator CHILES. I recall one of the things that the Secretary of the Interior said was that we would have baseline studies completed before we got into commercial production in any of the leases off there. Of course, they are in exploration now.

Dr. HIRSCH. It gets to the difficult question of how you define "baseline." There was an initial study done prior to the first exploratory study which consisted of a series of samples to try to determine what the situation was prior to leasing and how much hydrocarbon was in the environment and so on. If you use that as a strict definition of baseline ——

Senator CHILES. I don't think some of us who are concerned accepted that. I don't think the Secretary accepted that.

Dr. HIRSCH. I think more thorough studies are needed to understand what is happening in the environment. No start has been made that really does provide a thorough understanding, in my judgment.

Secretary REED. I think from the philosophical level of the Secretary and the Assistant Secretary, we do have a commitment, Senator Chiles, on a major level of funding to make sure that research is completed prior to any exploration of potential oil reserves off the coast of Florida. Also, the Governor, as you know, has instituted a very strong management policy within the State government at Tallahassee.

I was interested by some of the comments in the newspapers last week regarding Bruce Johnson and the Coastal Coordinating Council, and others who were very much involved in answering some allegations from Miss Winchester, who is president of the Florida branch of the Sierra Club, on the State involvement. It would appear from Mr. Johnson's very erudite reply that the State is indeed pursuing its options of its boundaries of its territorial waters.

The Governor does have veto power on any activity that goes on out there. He controls 9 miles offshore of all exploration, and all pipelines and facilities will come under the office of the Governor and his commission. We can reasonably expect activities off the coast of Florida will be carefully monitored by the State of Florida and the Federal Government who look like they are going to share the responsibilities effectively.

I think significant changes are going on in the Department of the Interior in its relationship to the individual coastal States, which I think is very helpful. They affect not only the State of Florida but the State of Alaska as well.

BIG CYPRESS NATIONAL PRESERVE

Senator CHILES. On the other question I wanted to ask, I received a copy of the letter the Secretary sent to Congressman Haley on acquisition plans in the Big Cypress. In the State's $40 million—the $40 million the State is putting up—can any of that money be utilized for personnel?

Secretary REED. No. We made the agreement with the State that we would use the entire contribution to purchase land from willing sellers. This would guarantee there would be no problem because of the difference between the Federal and the State condemnation laws. We made the agreement with the Governor that we would use the total sum

of money for land purchase, not for operations, and that operations are the responsibility of the Federal Government. I would expect by July 1, Senator Chiles, we will be off and running and in decent shape to report to you within a year what we have been able to do.

We have many offers from willing sellers on our desks right now, and I would like to take advantage of the first allotment of State funds, amounting to $9 million, which the State made available in the last few weeks. That money is reserved for 100 percent land purchase.

Senator CHILES. My only thought is, if you have plenty of offers, it would not be necessary, but part of the purchase price is trying to see that you get those offers. Maybe the State would be willing, if you were so strapped we couldn't get the offers in process to use that——

Secretary REED. I would hate to go to the State legislature and tell them I was going to use that money from a critical bond offer, on manpower, office space, and so forth. I would vastly prefer to use that money as we agreed with the State government directly on land. That was a pretty good agreement we struck, and I would like to stay with it if we could.

Senator CHILES. That is all I have.

ALASKA OCS STUDIES

Senator STEVENS. Following up on Mr. Chiles' comments, I had a meeting with the Task Force on the Gulf of Alaska and the baseline study, and it was my impression that there has not been established what I call a critical path for that study, with the delineations of the time frames in which specific information must be gathered.

For instance, if you are going to take the State of Florida, if you are going to have exploration, the first thing you are going to have is seismic operations. You need less of a baseline study to justify the baseline operation, to justify the seismic operation, than you would to justify drilling, or the establishment of platforms for eventual production.

As a factual matter it may well be that seismic would determine that none of the three remaining steps of development of oil and gas would take place. The time frames for the studies ought to be oriented toward the problems of phasing potential development so we can allocate our funds to the areas where the pressure is the greatest.

Secretary REED. You are 100 percent correct, sir.

Senator STEVENS. Our State wants to lease the Beaufort Sea. We are proceeding very rapidly on the Gulf of Alaska. It appears the Beaufort Sea could be leased quicker since there is development up there anyway on the North Slope.

The infrastructure is there on shore to sustain a rather extensive seismic and research phase in the Beaufort Sea. There is no infrastructure for the Gulf of Alaska at all yet, anywhere along that coast to sustain an in-depth exploration period.

Have you at all shifted to the Beaufort Sea as a priority over the Gulf of Alaska?

Secretary REED. No, sir. The internal workings are just beginning to reflect the type of thinking you have outlined here today. I think we have been slow in coming to grips in the Department with this type

of concise outline as to how to go about new frontier areas of seismic exploration and drilling.

I think Assistant Secretary Hughes, under whom this responsibility directly falls, would be better able to answer the question. But I would think the new spirit of the Department, working more closely with the Congress and the affected States, has permeated very rapidly down to my level in the Department. I am very pleased with that.

We had serious disagreements last fall as to the inputs of the States, and in my opinion to the highly legitimate concern of the Senate and House committees as to what was going on. I did not like the secrecy and I did not like the lack of coordination and cooperation with the States. I think there has been a great change of heart.

STATE OCS COORDINATION

Senator STEVENS. We discussed with the Secretary the proposals he has submitted to the President.

Of course, I have submitted one. We are quite hopeful we will be able to get to that problem, and until we get some revenue sharing for the affected States it would seem if we are going to have offshore potential oil and gas resources inventoried that priority ought to be set to those areas where the States are willing to proceed.

Secretary REED. I agree, sir.

Senator STEVENS. It appears that coordination has not yet been achieved. At least with my State it has not. I think with the Atlantic States, while it is not an economic matter, they are not holding out and waiting for a portion of the revenues; but I do think they are concerned over the impact on their budgets, and there is that basic concern of not being able to monitor exploration or development of production—their lack of ability to monitor that is directly related to their receipts from activity in the Federal areas.

Now that we have the Supreme Court opinion out of the way, which should not have surprised anybody after the California, Louisiana, and Texas cases, then I would hope—I have in the works with Senator Muskie now a proposal for a meeting of the coastal State Senators to try to present, at least from the Senate point of view, a proposal to the Department with regard to our suggestions as to how to deal with priorities in this offshore area and what we would like to see in terms of the relationship that should develop. Particularly in view of the report that offshore development in terms of environmental risk is much more acceptable than the rapid escalation of tanker traffic. I think we ought to get on with this revenue sharing and the priority establishment of the proposal.

We will be in touch with you on that, Mr. Secretary, hopefully, on a nonpartisan basis. There are 60 coastal State Senators. Sometimes people forget that. We might be able to get some consensus that might be meaningful, if we approach it on that basis.

Secretary REED. I think that is an excellent approach, Mr. Chairman.

REDUCTION IN CAPITAL IMPROVEMENTS AND LAND ACQUISITION

Senator STEVENS. You have about $8.5 million in operating increases but these are offset by sharp cuts in construction and wetlands

acquisition. How is that established from a priority basis in areas of wildlife resources? Is that a necessary balance? Or should we be looking to reducing some operating costs because of the cost of acquisition in some of these critical areas will be inflated in the future if we postpone acquisition now?

Secretary REED. Mr. Chairman, you have to make your budget reflect what you think your priorities are. We regret losing the advance authority to acquire the wetlands. It will set back our land acquisition program. The last major habitat in the waterfowl production areas of North Dakota, South Dakota, Wisconsin, and Minnesota is vanishing very quickly, especially in North Dakota where the price of wheat caused a tremendous amount of pressure on the pothole country—the biggest production area for waterfowl in the lower 48 States. However, we were so short of funds in operations, enforcement, biological services, and endangered species, we thought we had to get squared away before we could get back into the swing of things on an increased land aquisition program.

That is not an area in which we can be hard nosed questioning on. We were behind the eight ball so badly operationally and we were not living up to the mandate of the new laws passed by Congress, that we made this difficult decision.

Senator STEVENS. I can understand that hardnosed decision, but I also understand you have an $8 million cut in construction while at the same time you have operating increases.

Secretary REED. Yes, sir.

WORK OPPORTUNITY PROGRAM

Senator STEVENS. In view of the unemployment in the country, can you tell us how this fits into the Department's program as far as trying to participate in the process of creating or at least maintaining jobs in the operation of things like your refuge system? Is there one that is more job-intensive than the others?

Secretary REED. Mr. Chairman, one of the greatest problems of preparing our budget in the spring of the year, is that it must be based upon conditions at that time. You operate under the policies of the moment, the atmosphere of the country and the constraints of the country at the time. Our budgets are submitted to OMB in September and they reflect the tenor of the time.

Last summer the inflationary spiral was the concern of the budgetary formulators. We were cautioned on capital expenditures of any sort, to hold them down and try to take care of our operational levels. You will note this same thing in the National Park Service budget. Of course, the recession deepened rapidly and was not reflected in the budget the President gave to the Congress. The major thrust of the Fish and Wildlife Service budget is energy related. That was the message very clearly last fall.

Senator STEVENS. I don't think that message has changed. The employment problem has changed. We are thinking about dealing with that in the emergency employment supplemental, but that supplemental's future is problematical. I am sure you all realize that.

Secretary REED. We would see from the Public Works Committee, however, in the bill passed just 2 days ago, a great deal of relief for

refuge maintenance needs—which would be the biggest infusion of new money in the Fish and Wildlife Service for that purpose. That would allow the Director and his key staff to accomplish things that had been dreamed for many, many years if that bill becomes law.

STATE VERSUS FEDERAL MANAGEMENT

Senator STEVENS. My fear of what is happening that I expressed at the time of the Endangered Species Act is that we are taking into Washington a fantastic operations load in terms of manpower, surveillance, and enforcement, and having served in the State legislature, I can tell you from experience that a State legislature is very willing to take on these problems—whether it is Florida or Alaska. I don't think we have ever faced a situation where the fish and game departments were cut in any serious matter. That is literally and figuratively our bread and butter on a long-range proposition in the coastal States.

It seems to me the problems are going up and then we are putting down on a lower priority the things that the Federal Government can do such as the acquisition of potholes and wetlands, the total definition of refuge future.

Secretary REED. I would let Mr. Greenwalt, or Mr. Schreiner, who is responsible for endangered species, respond to make sure the States have the major responsibility and that it does not grow to be unmanageable. It cannot be a major Federal exercise excluding the States if it is going to be successful. The States have got to be enthusiastically behind the program if we are to save endangered species.

Mr. GREENWALT. I think I can shed some light on the rationale here. The Endangered Species Act of 1973, which is extremely complex, gives fundamentally to the Federal Government the responsibility for the preservation of the endangered species until such time as the States can enter into cooperative agreements and assume themselves the responsibilities. We are moving very rapidly in that direction.

In addition, the Marine Mammal Protection Act has the same kind of implication wherein much of the responsibility for the implementation of that rests with the Secretary until the States are given back their fundamental prerogatives.

ENERGY R. & D.

Biological Services is another high priority.

Now, as to the disposition of the funds for the Fish and Wildlife Service, one of our concerns has been habitat-related in the area of probable effects of energy research and development, particularly development effects on fish and wildlife values throughout the country. In terms of the potential long-term impact, it became abundantly clear that we had to take steps to avoid serious deterioration of habitat associated with the advance of energy development. We had to make sure that we in the Fish and Wildlife Service were in a position to give guidance and make recommendations, exert controls wherever possible, over the advance of this kind of technology.

51-957 O - 75 - pt. 3 - 24

In terms then of the allocation of funds as between refuges, for example, and construction and acquisition, as an example, we concluded the better, more prudent investment, in the near term was to make sure our biological services program was fully funded and capable of doing its job.

STATE RESPONSIBILITIES

At the same time, it became increasingly clear that unless we were prepared to support work that goes with the Endangered Species and Marine Mammals Acts, we could never readily and quickly give these responsibilities over to the States which are really, to a man, interested in taking these responsibilities. I am extremely interested in making this possible.

As an example, you are familiar with the waiver of the moratorium of the taking of walrus. I think tomorrow there is a series of hearings in Alaska, which upon the determination of the administrative law judge should give management responsibility for the walrus, including the control of native taking, back to the State of Alaska, a move that I think is eminently desirable. We are also just completing a long-term management plan on the management of musk ox, not only on Univak Island, but throughout the State of Alaska.

All of this manifests our clear interest and concern in making the management of these species a fully participated in responsibility of the States.

Senator STEVENS. I think it will have an impact on management operational cost levels in the future if we can continue down that line. I would say with Florida, they would dedicate a greater portion of their budget to the protection of their ocean mammals than the Federal Government would.

MANAGEMENT OF GAME RANGES

Mr. Secretary, last month Secretary Morton announced he was going to transfer three of the game ranges in Arizona, Nevada, and Montana to the BLM. Can you explain that policy, and what its effect would be on management levels assigned to those and other game ranges.

Secretary REED. I hope it will not affect other game ranges. It will only be applicable to those three. The basic problem the Secretary resolved was the joint management problem where there were identical teams from the BLM and the Fish and Wildlife Service, and the Secretary decided the Fish and Wildlife Service could use that manpower to greater advantages in other wildlife refuges.

The basic agreement with the BLM is they will continue to manage the three ranges as the original withdrawal orders were contemplated, with high visibility for the management of the wildlife on those ranges. The three ranges were withdrawn to protect species which at that time were thought to be threatened.

The antelope and the desert sheep because of access to private lands have made a remarkable comeback. We felt certain if the BLM pledged itself to good management that single management on those ranges can accomplish the same goals for which they were withdrawn. The Director of the BLM, I understand, made a presentation in front of the National Wildlife Federation in Pittsburgh on Saturday saying that

the BLM would assess the current reduction to the BLM. All three ranges are in fairly good order at this time. They could be better. I think as long as the Director pledges himself to careful overview of those ranges, the American people should have adequate protection of that resource.

Senator STEVENS. You still will have in the Fish and Wildlife Service a continuing monitoring of those ranges?

Secretary REED. We have not formalized our agreement on that, but I would assume they would be reviewed by senior wildlife biologists to see that wildlife is getting equal consideration on those lands. The Secretary and I have been talking about that. There needs to be some commitment made to the Congress that those lands will not be turned into cattle pastures.

Senator STEVENS. I think we wanted equal commitment that the Fish and Wildlife Service will see there is not going to be any development.

Secretary REED. I agree with that.

HATCHERY PROGRAM

Senator STEVENS. What about hatcheries? I understand you have been transferring hatcheries to the various States—well, first, let me ask you what are the reasons behind that and how will this affect the policies you are discussing? I understand there was a task force on fish hatchery policy. Do you agree with those task force recommendations and are you implementing them? Is this part of the implementation of the task force recommendation?

Secretary REED. The report of the task force is a very important facet, but when we came into public service 4 years ago we were aware of a great many fish hatcheries in the South, warm water hatcheries, that were constructed in the thirties.

Since their development, private enterprise has gotten into the picture in a big way. There are private hatcheries that are perfectly capable of producing all of the spectrum of warm water fishes for a small price for stocking the individual waters.

I think there has been a change in attitude, I question whether it is a priority objective of the Federal Government to hand out free warm water fish for the stocking of private waters throughout the South.

I have always had a problem with that policy, and the Director has picked up the ball, appointed a committee, and made a valiant effort to turn as many of those hatcheries over to the States as possible.

Would you give the chairman a report, Mr. Greenwalt?

FISH HATCHERY TRANSFERS

Mr. GREENWALT. As you may know, Mr. Chairman, we began the process of examining hatcheries and their potential for turning over to States some years ago. The activities of the Calhoun committee, so named because it was headed by Dr. Alex Calhoun, former director of fisheries in the State of California, has been completed and has sent in more than 30 recommendations related to the role of the Federal Government, the State governments, and the private sector in the production of fish. These are simply recommendations and have not become rules or policy of the Fish and Wildlife Service at this juncture.

My staff has prepared a general draft policy approach for me to consider to transfer to Mr. Reed and the congressional committees. But, in general, the determination has been one of clear-cut distinction between the roles of the Federal Government and the State agencies in the production of fish. In many of these fish hatchery transfers that have gone on, there has been this basic determination of roles and in many instances clear evidence of duplication of effort, a very costly one.

I cite the first transfer which was made in 1973, in Springfield, Utah; a hatchery in Utah where the State owned a hatchery literally across the street from a Federal hatchery, using the same water supply, we were able to make the Federal hatchery available to the State to be run in concert with its facility across the street.

In the interval since 1973 we have transferred Lyman Hatchery in Mississippi, Fairport Hatchery in Iowa, Marion Hatchery in Alabama, and we will surely transfer the Fort Worth, Tex., hatchery and Hebron Hatchery in Ohio.

The States were agreeable to accept the responsibilities and opportunities that go with the operation of these hatcheries. The hatcheries themselves represent low-priority production from a Federal point of view. I believe we are once again working very closely with the States on this.

Senator STEVENS. Mr. Secretary, that is a live quorum call for a vote on a cloture motion. I would like to finish my questioning of you, Mr. Secretary, so you could depart at the same time if you wish to do so. You are perfectly free to do so. Of course, you are welcome to stay through the whole proceedings. I did not know what your time frame was.

BUDGET IMPACT OF HATCHERY AND GAME RANGE TRANSFERS

But let me ask you, you have apparently achieved savings on the game ranges and savings on the hatchery program. By what has just been reviewed, what savings are reflected in this budget, what have you done with the money you have saved by giving BLM the ranges and the States the fish hatcheries?

Secretary REED. I will let the Director answer that. He can tell you penny for penny where it has gone.

Mr. GREENWALT. There has been no savings effected because there has been no transfer as of the moment.

Senator STEVENS. When will that have a financial impact?

Mr. GREENWALT. If the schedule I have seen is adhered to, it will probably be somewhere in the coming fiscal year of 1976.

Senator STEVENS. How about the hatchery personnel? Where will they be effectively employed?

Mr. GREENWALT. The employees will go to other hatcheries. The money savings will go back into the hatchery system.

Secretary REED. The price of food has gone out of sight for these hatcheries, as he has the cost of electricity. We have to keep the water warm to maximize production. The cost of these items is just out of sight. So anadromous fish hatcheries, which are highest priority in the Northwest, the Great Lakes fisheries, and our rehabilitation fisheries on the east coast, are the lifeblood of the Federal hatchery program.

The cost increases are just staggering. These are shared by the States that have their own anadromous fish programs as well. There is going to be a considerable shakeup, Mr. Chairman, in the next 5 years among the States as to how much stocking, and what are the priority fish to be stocked. For 20 years the price of fish per pound was relatively constant. There is now going to be a startling jump. It is going to shake a lot of prioritizing out of all of us.

BIOLOGICAL SERVICES PROGRAM

Senator STEVENS. You are asking for your second $4 million increase in 2 years for energy-related work, Mr. Secretary, in terms of the priorities you have been discussing. Again, we would just like to know how did you come down hard on this as far as the energy impact on the wildlife habitat, with that second $4 million increase?

Secretary REED. We considered this thrust to be the single highest priority in the Fish and Wildlife Service; going into its second year, we have reorganized a whole new office of the Fish and Wildlife Service under Dr. Hirsch's supervision.

Senator STEVENS. Is that onshore and offshore?

Secretary REED. Yes, sir; we recognize that oil production is a necessity. We recognize an increase in coal production is inevitable. We recognize that there will be large-scale developments in oil shale, in geothermal, in solar, in every alternative type of energy production. To minimize the impacts on habitat that support a vast variety of wildlife is a major responsibility of the Director and Dr. Hirsch and must be.

WATER BANK PROGRAM

Senator STEVENS. If Senator Young were here, I am sure he would ask you about the water bank program and its relationship to the land acquisition concept and whether the administration has changed its position and approach to the water bank concept. You certainly realize it has a great impact in North Dakota.

Secretary REED. It has an enormous impact on the waterfowl, the water birds that come off the wetlands of North Dakota. A major cut in the water bank and acquisition will result in a major decrease of the numbers produced in the 48 States. The same problem is going on in the Canadian part of the continent, the pothole country, where we are seeing an acceleration of drainage. We have never seen it occur simultaneously.

Senator STEVENS. What is the status of your relationship to that wetbank in North Dakota? Have you had any change in policy?

Secretary REED. There was a major cut in the Department of Agriculture's program combined with this cut in acquisition. We are going to see some problems this summer in North Dakota. I gave a speech on this just on Saturday and I stressed that if a farmer cannot make money off his land either from the sale of wildlife habitat in the form of water bank or easements to the Fish and Wildlife Service, he has got to choose to drain his land.

He is going to be paying taxes on it. His choices are to receive money for the value of his land in the form of mitigation from the Fish and

Wildlife Service or the Department of Agriculture or he can drain it and put it in wheat.

Senator STEVENS. I am told Senator Young has been successful in restoring a portion of that money. It is still a very low level. Again I think if this is going to be a period we are in of deficit years—and you have remarked on a series of constraints on your budget in the past few years—I think we are going to have to define priority areas as far as the Federal Government is concerned. It seems a small amount of money there in the water bank program would accomplish a great deal, whereas a small cut can have damage for years to come. I don't understand that kind of economy.

FUND SOURCE FOR WETLANDS ACQUISITION

Secretary REED. That is a great problem. The money that is in the acquisition account is the receipts from the sale of duck stamps. The duck hunter with his $5 duck stamp is paying the entire acquisition role of the Fish and Wildlife Service in protecting habitat in North Dakota and elsewhere in the lower 48.

Senator STEVENS. There is no taxpayer increment to that at all?

Secretary REED. No, sir, duck stamp money. That is a poor commentary. The waterfowl and other birds produced are enjoyed by the Izaak Walton League, the Sierra Club, and millions of nonhunters. The load is being borne entirely by the hunter.

Senator STEVENS. Has anyone explored the concept of some kind of financial contribution from those groups, the birdwatchers, photographers, hikers, and so forth?

Secretary REED. I mounted a major campaign last year. I inaugurated a program of selling duck stamps to nonhunters. My mother sold over 1,000 of them. It is a migratory waterfowl stamp. It is considered to be a duck stamp. Most people don't realize it is on sale across the country in the post offices. We are going to try again, to make another big effort using all of the conservation media to get all of the conservationists, more than just the hunter, to buy the duck stamp.

But I will be honest with you. If we pick up more than $1 million that way I will be surprised.

Senator Bellmon had some excellent thoughts on this a couple of years ago that he hopes to see come into fruition, which would be a national stamp. He had some very bright ideas on this subject of trying to pick up at least $20 million in voluntary sales of a waterfowl stamp, a migratory bird stamp.

Senator STEVENS. You do not charge any admission to your refuges? There is no charge placed on those who use them, the nature walkers, and so forth?

Secretary REED. That is right, sir.

Senator STEVENS. We will have to investigate that. As a practical matter both the hunter and the nature lover are going to lose.

Mr. GREENWALT. If I could make one observation. One thing I alluded to earlier; if we are not in a proper position to control and influence the development, habitat will be lost by these means just as well. This is one of the paradoxes and dilemmas that the Secretary is faced with of how to get at the basic problem of habitat degradation nationwide.

PREDATOR CONTROL

Senator STEVENS. Mr. Secretary, there is no increase in predator control in this budget.

Secretary REED. I testified at the appropriation hearing of the House Appropriation Subcommittee on Interior and Related Agencies on this subject and pointed out the levels of animals, of coyotes being taken now by aerial gunning, trapping, conventional means on the ground plus the renewed use of the M–44 late last summer.

We have the same level. I will be frank: when we put that level in I do not think we anticipated the rise in the fixed wing and helicopter costs, and the increased costs in fuel. I suspect the House will probably ask to maintain the same level, and what would be the increase in costs. I am preparing that figure for them and would be delighted to share it with you. To maintain the same level the anticipated rate of percentage increase is somewhere around 10 to 12 to 14 percent. We hope to give a much more definitive answer to the chairman of the House appropriations subcommittee.

PUBLIC HUNTING OF PREDATORS

Senator STEVENS. I am sure you know my State is exploring alternatives to predator control on that basis that you have discussed. Have you explored the alternative—and I think probably there are some sincere problems for some sectors of our communities, we have just been discussing the walkers and birdwatchers and whatnot—have you explored the alternative of opening some of these areas to hunting the predators?

Secretary REED. Yes; and we encourage it. The price of fur encourages it. A prime coyote pelt right now is over $35. We encourage the take across the West.

We have taken a considerable chunk of predation money to be used by the States if they join the program to accelerate our operations during the critical months of March and April as lambing begins across the West. These are very key months when coyotes are highly visible against snow backgrounds and large numbers can be taken which will benefit lambing operations significantly.

We proved that last year in Colorado, Idaho, and Wyoming. We have some interesting figures on that. We are in the process of using every good day throughout the West right now.

It would appear in spite of the adverse press, it is a well thought-out program and should pay in benefits of bringing back the moose herd around Fairbanks. Dr. Durward Allen, who is one of the experts on moose herds in this country, having studied at Purdue University, spoke on this Monday at the North American Wildlife Conference, and the Boone & Crockett Club. He is considered a great lover of wolves and a great expert on wolves, but he felt the Alaska proposal was a sound proposal and should not receive the opposition of that very well-known body.

Senator STEVENS. That was the report I got there in the Fairbanks area that has normally been associated with protection of the wolf population.

I am happy to hear we are exploring other means of accomplishing the same goals without the expenditure of Federal or State funds, where there is economic value for the predator involved. Right now the economic value is quite high.

Secretary REED. Correct, sir.

SUBCOMMITTEE RECESS

Secretary STEVENS. That is the vote. We will continue with Mr. Greenwalt's statement when I return.

The subcommittee is recessed until 4:30 p.m. this afternoon.

[Whereupon, at 11:25 a.m., the subcommittee was recessed, to reconvene at 4:30 p.m., the same day.]

(AFTERNOON SESSION, 4:30 O'CLOCK, THURSDAY, MARCH 20, 1974)

DEPARTMENT OF THE INTERIOR

U.S. FISH AND WILDLIFE SERVICE

STATEMENT OF LYNN A. GREENWALT, DIRECTOR

ACCOMPANIED BY:
KEITH M. SCHREINER, ASSOCIATE DIRECTOR, FEDERAL ASSISTANCE
FRANCIS WILES, DIRECTOR OF BUDGET

PREPARED STATEMENT

Senator STEVENS. Gentlemen, we return to the Fish and Wildlife budget.

Mr. Greenwalt, we will print your full statement in the record. I have a few questions to ask you but we will submit the majority of the questions to you for your reply.

[The statement follows:]

Mr. Chairman:

My associates and I welcome this opportunity to present the fiscal year 1976 program proposals of the United States Fish and Wildlife Service and to discuss with you and the members of the Subcommittee some of the challenges and opportunities associated with protection of the environment and stewardship of our living natural resources. We look forward to working closely with you, in your new role, Mr. Chairman, and with the members of the Subcommittee.

Before getting into the specifics of our fiscal year 1976 budget, I would like to talk a bit about the people that make up the Fish and Wildlife Service. This Subcommittee has relatively frequent contact with the professionals that accompany me here today--my front-line management team. I'm proud of the capability and positive attitude of each of these men. But you rarely have the opportunity to meet the Service people who are on the "firing line." I recognize that a part of the Service's true strength rests at the base of our 4,000-plus personnel pyramid. It is these men and women who somehow respond to workloads that are larger each year, and to specific requirements which are demanded and scrutinized by a larger share of the American public. Last year when appearing before you I expressed pride in their integrity, competence, and dedicated service. After my first full year as their Director, I wish to restate that pride.

The fiscal year 1976 budget that I am submitting to this Subcommittee for its consideration requests an investment of $119.2 million to oversee the Nation's fish and wildlife resources. This is a net increase of $315,000 over the 1975 appropriation.

We appreciate that these are tough economic times, but we also must recognize that we face increased responsibilities in the environmental field. Accordingly, we have carefully shifted our priorities within the tight budgetary limits that we have been operating under in recent years.

In the fiscal year 1976 budget we are directing nearly $8 million of increases to six program areas of growing significance. To accomplish this, we have had to effect an $8.2 million cutback in hatchery and other major construction work and to reduce the Wetlands Loan Advance by $1 million.

The six areas are Biological Services, Migratory Birds, the Alaska Native Claims Settlement Act, Endangered Species, the Great Lakes Fishery and Anadromous Fish Grants.

At your indulgence, I would like to discuss each of these program areas, for each is essential to the health and welfare of this Nation's fish and wildlife.

Biological Services

Last year the Congress provided slightly more than $4 million for an essential new program of Biological Services. The objective of this program is to collect fundamental information about fish and wildlife and their supporting ecosystems. This basic information is essential to sound decisionmaking in the development of land and water resources. In FY 76, we are proposing to build upon the very good start that was made this year.

The bulk of the FY 76 increase is for strengthening the energy research and development effort which is a major part of the Biological Services program. Probably no other single issue has the potential for such profound effects on fish and wildlife populations as does the accelerated development of the Nation's energy resources.

There is no question that the Nation must expand its energy sources--the only question is when and how? I think all of us would agree that ecological considerations must play a part in those decisions--as well as economic and technological ones. By proper consideration we can minimize environmental damages or mitigate their effects. To do so, however, will take facts and an understanding of ecosystems that is not available today. Obtaining that information is the purpose of the Biological Services program.

You will note that this year the Service has requested its largest increase in this area--$4,161,000. That reflects the importance we attach to this effort. These resources will address ecological questions of coal conversion--primarily liquefaction and gasification ($600,000), coal extraction ($970,000), oil and gas ($1,290,000), oil shale ($300,000), geothermal steam ($300,000), and nuclear power plant siting ($301,000).

These funds will be used to initiate, expand or continue various studies on the ecological effects of energy development as they relate to fish and wildlife. Let me cite just a few examples by way of illustration:

1. We plan to support, in cooperation with the Soil Conservation Service, the development and testing of plants that can grow on top of spent oil shale deposits to return these areas to a reasonably harmonious life balance. Further, the plants we focus on are those which will have maximum wildlife value in terms of providing feed or nesting.

2. We will be surveying proposed geothermal lease areas to identify environmentally sensitive or critical habitats to be avoided in the leasing program.

3. We will be developing manuals showing how utilities can manage their lands--such as transmission corridors, buffer zones and cooling ponds--in ways that will benefit fish and wildlife.

4. We will be studying biological changes resulting from intensive coal development on a 20,000-acre lease site in Montana to provide an "early warning" system for measuring environmental damage.

5. We will be providing baseline data on the ecosystems of a number of other Western energy development areas.

We believe that the findings of studies such as these will permit the Nation to go forward with its energy developments in ways which will minimize wildlife damage. They will permit us to operate more on facts--and less on emotion.

We believe that the findings will be widely used--and we expect to disseminate them widely. That is why we are requesting an increase of $400,000 for development of information transfer systems.

This program has been planned as part of the Department of the Interior's overall energy research effort. We expect the findings to contribute to more meaningful Environmental Impact Statements. We believe they

will be invaluable as the Department considers various energy development options and alternatives. We plan to use them in our work with the Bureau of Land Management and the Geological Survey in the mineral leasing programs. They are essential if the Fish and Wildlife Service is to meet its responsibilities under such legislation as the Fish and Wildlife Coordination Act, the Endangered Species Act, and the National Environmental Policy Act.

Migratory Birds

Integral to the success of any program of managing the migratory bird resources of this Nation is our system of National Wildlife Refuges which now numbers 377 individual units. These refuges are located at crucial spots along the four major biological flyways and are used by over 100 million waterfowl each fall and spring. As you know, they provide nesting, wintering, resting, and breeding areas for nearly 60 different species of waterfowl. It is only through preserving and managing these natural habitats that we can hope to insure a continuation of this magnificent natural resource.

We are requesting $423,000 to partially halt the deterioration of our refuges. These funds will be used during FY 76 to restore defective dikes, repair water control structures, and for other critically needed repair work on nine refuges.

Kern Refuge in California is one example. If the main water delivery canal does not receive immediate attention so that water can reach key impoundments, my staff estimates that 500,000 waterfowl and 150,000 shore birds will be denied a water surface needed by them for resting and feeding. Thousands of hours of hunting and other forms of public recreation will also be lost.

This is just one example, but it is not an exception. Throughout the system facilities have badly deteriorated. With today's fiscal situation we are unable to rehabilitate all our facilities simultaneously. The $1.1 million you appropriated last year and the funds we are requesting this year will be used to accomplish the most critically needed repair jobs.

Alaska Native Claims Settlement Act (ANCSA)

For the U.S. Fish and Wildlife Service, Alaska translates into GROWTH. Congress is presently considering additions to the National Wildlife Refuge System that total 32 million acres. This would double the present amount of land administered by the Fish and Wildlife Service nationwide. These lands in Alaska are some of the most significant wildlife habitats imaginable.

In addition to the 32 million acres of new refuge habitat under consideration, the Arctic National Wildlife Range would be increased by 3.7 million acres, and the Fish and Wildlife Service would be involved in joint management of another 13.5 million acres with the Bureau of Land Management and the National Park Service.

These lands support a staggering amount of wildlife. Over 12 million waterfowl and over 100 million songbirds summer there. The U.S. population of Pacific Brant, and more than 100 million marsh and shore birds nest there each year. The entire U.S. population of the endangered Aleutian Canada Goose breeds and raises its young there each summer.

Mammals are another story. Over 400,000 caribou migrate across these lands each year. The entire U.S. population of polar bears dens on these lands, as does the world's only thriving herd of the ice-age musk ox.

These same lands serve as traditional spawning grounds for red salmon and dozens of other fish species. Additionally it should be pointed out that wise stewardship of Alaska's wildlife contributes directly to the health of species on other continents such as Europe and Asia because many migrate back and forth over polar ice and in polar waters. Many birds also migrate from Alaska into the southwest Pacific.

The Alaska Native Claims Settlement Act requires the Fish and Wildlife Service to work closely with the State and to establish a unique relationship with each of the native groups that represent all ethnic minorities in the State. As professional resource managers we are helping the natives first understand and then plan the management of the natural resources so abundant in their homeland. At the same time, we often find ourselves playing a diplomatic role, representing not only our Service to the natives but the entire Federal Government.

The Fish and Wildlife Service requests $400,000 for FY 76 to collect the kinds of basic biological data needed by Congress, the State government, the natives, and the Federal Government to make wise decisions concerning the future apportionment and use of these valuable lands. Men familiar with Alaska and its wildlife will survey wildlife populations associated with these areas. The wildlife habitat needed to support these species will also be studied, and cooperative master plans for each area will be drawn up. These three tasks will require $100,000 of the $400,000 requested.

We must study the land to replace nearly 2 million acres of existing refuge lands chosen by native corporations for their use. This will cost an estimated $150,000.

We will require another $150,000 to develop cooperative agreements with 39 native villages for the use and protection of wildlife resources.

Endangered Species

The Endangered Species Act of 1973 commits the Federal Government to some very positive and immediate actions in behalf of the more than 100 species of animals in trouble in the United States and the more than 400 species of animals in trouble worldwide.

To meet our obligations, I am requesting an increase of $1.7 million to accomplish four tasks:

1. Basic data on hand is insufficient for the tasks that face us. We need to know precise biological facts and figures on species which are or may become endangered. It has to be solid factual data on which decisions can be made. If an animal is in trouble, we must know why, how its situation can be improved, if, in fact, it can be improved. We are attacking this problem by initiating a series of cooperative surveys enlisting the aid of state fish and game authorities, universities, and private organizations. To continue this stepped-up effort we will require $450,000.

2. We are proud of the fact that ten recovery teams have been named and set to work in recent weeks by the Fish and Wildlife Service. These teams are made up of experts from all levels of government and the academic world. Each team is charged with implementing the best scientifically designed plan to improve the lot of the specific animal that is its responsibility. By July 1975 we plan to name and set to work an additional 47 such teams. Each will devote its efforts to one specific animal and focus on improving its situation. There are 109 species listed as endangered in the United States right now, so FY 1976 will be as busy as FY 75. This will require an appropriation of $250,000.

3. The Federal Government alone simply cannot do the total job that has to be done for animals that are endangered. State cooperation is crucial to the success of any venture to reverse an animal's slide toward extinction, because in all cases these species reside in one or several states. The new Endangered Species Act of 1973 authorizes and encourages the establishment of cooperative agreements with state governments. I am happy to tell you that we are just this week putting the final touches on our first agreement with a state to cooperate in endangered species field work. The State is New Jersey. We envision at least twenty of these agreements being completed over the next twelve months. These agreements require detailed research into a state's laws and regulations to see if they have the authority to operate in behalf of an endangered species. Further, it requires the drawing up of balanced conservation plans for species in trouble. This requires the talents and time of wildlife experts in the employ of the states and the Federal Government. We are requesting $50,000 for this effort in FY 76.

4. The efforts of field recovery teams, state cooperators, and our own research staff will be needed at various times to insure that proper support is given to carrying out our plans so we can deliver what Congress wants us to deliver in terms of saving endangered species. This spring, for example, a cooperative Federal, state, university, and private effort will see to it that upwards of two dozen endangered peregrine falcons are returned to the wild along the Atlantic Coast where they were virtually wiped out by DDT by the late 1960's. The birds to be released in the wild were all raised in captivity at Cornell University which has cooperated with us for years. It is a proud moment for us, because it tells the story of what the Fish and Wildlife Service, working in cooperation with others, can deliver. We were also successful in livetrapping four endangered eastern timber wolves in Minnesota and transplanting eagle eggs from Minnesota to Maine last spring. There are numerous other projects such as these coming to fruition at this very moment.

In addition to this kind of delivery, we cannot stress too much the importance of enforcing the Endangered Species Act. There is a brisk and lively trade in parts and products made from endangered animals. This is worldwide traffic, and we must act within this country to do all we can to stop illicit trade in these products. This requires educating the public, arresting smugglers and brokers, and establishing a workable permit system to handle the legitimate exceptions to the law and regulations. For these activities we are requesting $950,000 for FY 1976.

Great Lakes

The Great Lakes are truly a fishery that all Americans can be proud of. Significant strides have been made in improving the quality of the lakes in the past twenty years and I am pleased to say that the U.S. Fish and Wildlife Service has a leadership role in this program.

I am not pleased to say, however, that every day contaminants continue to be deposited into these lakes that support over 21 million recreational fishermen days. These fishermen spent an estimated $132 million in 1975. The U.S. Fish and Wildlife Service, along with other Federal, state and Canadian Federal and Provincial agencies, continues to work on this problem as well as to keep abreast of all ecological developments affecting these great inland bodies of water.

We are requesting $296,000 for the Great Lakes program, $106,000 of which is to continue studies on the near shore waters. These studies chart the effect of waste heat from power generating plants along the lakes. They document contaminants flowing into the lakes from cities and industries. And they investigate and control the placement of dredging material scooped from ship channels.

We require $60,000 to continue our work in pesticides research in the Great Lakes. This involves finding out the level of pesticide contamination in fish in each of the lakes. We also need to know more about the level of pesticides in the food that the fish eat in all of the lakes. We must determine what role pesticides play in hindering the establishment of a self-sustaining population of lake trout.

We require $80,000 to assess the success of our sea lamprey control program in Lake Ontario and to perform a study of the proper ratio of fish for stocking that lake.

We require $50,000 to set up a program to more accurately keep track of how many fish are being caught in the lakes and at what rate we should be restocking the lakes.

Anadromous Fish Grants

The U. S. Fish and Wildlife Service was designated by Congress, in conjunction with the National Marine Fisheries Service as the agency of the Federal Government to investigate and promote the health of migratory fish species in the United States. The programs to support these anadromous fish combine our research talents with our fish hatchery production. Also we manage a grant-in-aid program to assist states in the management of these fish species. These grants help support a sports fishery worth $54 million annually and a commercial fishery with an annual value of $3.5 million. State requests for grant-in-aid funds for FY 76 reached an all-time high of $6.5 million.

We request an increase of $880,000 to allow us to fund eight new projects in six states and to increase funding on 21 projects underway in 16 states. The additional sport fishing values that will result are estimated to total about $8 million.

Report on Predator Control Research

In addition to the above mentioned areas where we have requested increased funds I want to inform you of the status of our coyote control research. We believe research is the answer to this complex issue and we have a very active effort underway. To determine the causes of sheep mortality long-term sheep studies are being conducted.

Specific sheep loss data were recorded from study areas in Idaho and Wyoming shed and range lambing areas respectively. Range lamb losses to predators in Idaho ranged from 1.8 (confirmed) to 4.6 percent (possible) and those in Wyoming varied from 1.0 to 8.0 per cent at lambing time only. Overall predation was similar to FY 1973, although some individual bands sustained increased losses. Lamb predation in the Montana and New Mexico "no control" areas was about 32 and 20 percent respectively.

In the area of depredation control methods, eight candidate coyote repellents were tested. Of these, one showed potential, and a contract was negotiated to evaluate its effectiveness in the field. Results indicated that additional effort and time are needed to develop non-lethal chemical methods that will be broadly applicable to extensive livestock operations. Four contracts were awarded dealing with (1) the relative importance of sensory stimuli in eliciting and inhibiting predatory behavior, (2) enclosure evaluation of electrical and mechanical fencing to alleviate coyote predation upon sheep, (3) basic studies of hypersensitivity in canids to assess its potential for control, and (4) formulation of chemical control agents and devices for reducing coyote predation. All five contracts were funded late in FY 74 and thus it is too early to report results. Five pen trials of the sheep toxic collar have been completed. This collar was designed through private contract and contains liquid sodium cyanide.

The second annual Western States Index of Predator Abundance was completed. Results indicate coyote populations declined in many of the intermountain states but increased in many of the states east of the continental divide. The second year of the coyote study in northern Utah confirmed that human activity is a primary mortality factor of coyotes in the area. A second coyote mortality study was initiated in Grand Teton National Park. Preliminary data from studies of coyote density and food base suggest winter food availability may be most important in determining predator density.

SUMMARY

In summary, I believe the actions outlined for accomplishment in FY 1976 reflect the priority needs of the Fish and Wildlife Service; that they will provide direct benefit to fish and wildlife and their habitats. These choices from various program areas were hard to make because I am personally aware of the feelings of pride that motivate all of our National Wildlife Refuge managers. I am aware, too, that this group of dedicated, totally committed employees is deeply disturbed--as I am--about the continuing problems they encounter in doing their jobs. I assure you, as I have pledged to them, that I will make every effort to bring to the National Wildlife Refuge System the attention and support this unique national asset deserves. In the meantime, however, I believe the Fish and Wildlife Service must move ahead with the work before us, as reflected in this budget proposal.

Mr. Chairman and members of the Subcommittee, my associates and I will be pleased to answer any questions you may have.

INTRODUCTION OF STAFF ASSISTANTS

Mr. GREENWALT. Mr. Chairman, this has been a most unusual day. I would enjoy introducing my colleagues, most of whom are new to this committee, and indicate many of the things that are contained in my statement were elucidated by Mr. Reed this morning. I shall not attempt to recapitulate that which has already been said.

I would like to make you acquainted with my associates who are appearing with me for the first time here. On my extreme left is Dr. Allan Hirsch, who is Chief of our Office of Biological Services. Next to him, Dr. F. Eugene Hester who is Associate Director for Research and Environment; on my immediate left is Michael Spear who is the Assistant Director for Planning and Budget. To my right, Howard Larsen who is Deputy Associate Director for Fish and Wildlife Management; and beyond him is Keith Schreiner, Associate Director for Federal Assistance, which includes endangered species.

Senator STEVENS. My participation with Fish and Wildlife goes back to the time when I drafted the bill that made Ross Leffler Assistant Secretary for Fish and Wildlife, and I find the Assistant Secretary no longer has just Fish and Wildlife and we are back where we started.

Mr. GREENWALT. A full circle as of last summer.

Senator STEVENS. Maybe one of these days it will be coming back again. I must be old when I reminisce like that on the record. [Laughter.]

I appreciate you gentlemen being so patient. We are trying to keep on schedule. What are the highlights of your problems? We know what your programs are. What are the highlights of your problems?

MAJOR THRUSTS

Mr. GREENWALT. Fundamentally, Mr. Chairman, we are attempting to maintain the capability of meeting the challenges I spoke of this morning with respect to the impact of development of technological improvements, particularly in the energy area, on fish and wildlife and its habitats. It is in this area we are now exercising our greatest effort. We continue to have problems in the maintenance of the traditional activities of the Fish and Wildlife Service. The inroads of inflation, the general increases in the cost of doing business, have had a profound effect on those programs of enforcement and other areas. Even so we are cognizant of a great responsibility to deal with the kind of programs that are emerging today, with a profound preoccupation on the part of the Nation to this area. We feel a keen responsibility to demonstrate that energy and its derivatives can be used without having as great a negative impact on the environment as might otherwise be the case.

LAKE CHAMPLAIN

Senator STEVENS. The Senators from Vermont and New York have expressed great interest in funding an environmental study on the impact of a new dam on Lake Champlain fish and wildlife. How much

51-957 O - 75 - pt. 3 - 25

money is available for this in the current year and how much is budgeted for fiscal year 1976?

Mr. GREENWALT. No money was programed in fiscal year 1975. However, $25,000 has been reprogramed for this study from other programs in fiscal year 1975. No funds were budgeted for the Lake Champlain study in fiscal year 1976.

Senator STEVENS. In view of the pressing time problem and the international problem involved, why aren't you requesting funding for this study?

Mr. GREENWALT. The Service's fiscal year 1976 budget had already been finalized and approved by OMB prior to introduction of this study; thus, it was not included in the fiscal year 1976 request.

QUESTIONS SUBMITTED BY SENATOR STAFFORD

Senator STEVENS. Did you answer the questions Senator Stafford submitted to you? The New York and Vermont Senators on Lake Champlain?

Mr. GREENWALT. Yes, sir. I think they have not been submitted officially but we do have these prepared. Yes, sir.

[The questions and answers follow:]

Q. Is it correct that the U.S. Fish and Wildlife Service has assumed the leadership for the proposed environmental study of the effect of controlling the Richelieu River in Canada on lands adjacent to Lake Champlain?

A. Yes. At the request of the State Department, the Fish and Wildlife Service, under the authority of the Fish and Wildlife Coordination Act, has assumed a lead role for the proposed environmental study of the effects of regulating water levels on Lake Champlain through flood control structures on the Richelieu River in Canada, and is working with the Environmental Committee of the Engineering Board of the International Joint Commission in carrying out this responsibility.

Q. Please describe the nature of the Richelieu control work planned and completed by the Canadians, and the effect of such work on Lake Champlain and the Lake's adjoining wetlands.

A. The dam at Fryer's Island on the Richelieu River was completed about 1939, but works to expand the channel and diking structures to protect the river banks in the vicinity of the dam were never constructed. Consequently, regulation of the water levels on the Richelieu River and Lake Champlain has never been accomplished. The new plan consists of constructing new dam, dredging a channel, and setting the flood gates at a predetermined level.

Q. At what levels would the Canadians regulate the lake? How does that differ from the present level?

A. The IJC Engineering Board examined several plans, and the one that appears to be least damaging to the environment and which we expect will be used, will give lake levels between 92.86′ and 100.4′. Present levels range between 94.03′ and 103.78′. Other plans would permit higher water levels and greater fluctuations.

Q. Is it correct that Interior has reprogrammed $25,000 for this effort in FY 1975? How will that money be spent?

A. Yes. The Fish and Wildlife Service has assigned two Fish and Wildlife biologists and one engineer to begin preliminary work on planning the fish and wildlife elements of the study. Cost of this effort is expected to be approximately $25,000, and this amount has been allocated to cover these costs.

Q. Would you please outline the overall study and funding schedule for the environmental study?

A. The total overall cost of the program will be approximately $850,000. The breakdown by studies and by Fiscal Year monies is as follows:

	Fiscal year—			Total
	1975	1976	1977	
Mapping studies	350			350
Vegetation studies	5	35	10	50
Fauna studies:				
Fish	10	120	20	150
Wildlife	10	40	10	60
Nutrient and siltation studies		125	25	150
Economic evaluation		20	20	40
Data storage and interpretation		25	25	50
Total	375	365	110	850

The program should be completed by December 1976, if it can begin in the spring of 1975.

Q. When is the latest that the topographic mapping could begin and still be completed in time so that the necessary followup field work can be initiated in the spring of 1976 and the report completed by early Fiscal Year 1977?

A. A time frame of two years (two spring seasons from time of funding) has been imposed in designing the study. If funding can be arranged so that work can begin this spring, the study can be finalized by December 1976 or January 1977.

Q. Please describe how the mapping will be undertaken, and why it must be done during the spring and summer. Why can't it be done during the winter?

A. The mapping effort will involve making aerial photographs and preparing contour maps at 1.0′ intervals for the wetlands surrounding the lake within the elevations of 92 and 104 feet. These maps will then be used to predict vegetative changes. The timing of the element is very critical. Mapping cannot be done in the winter since the ground will be under snow a good part of the time and the lake will be covered with ice. The mapping must be done when the lake is free of ice, the snow is off the ground, and before the leaves come out on the trees. Normally this would be no later than mid-April. Aerial photography can be completed in less than one day.

Q. Why must the topographic mapping be completed before other substantive studies are undertaken?

A. The mapping is needed to define areas to be flooded or drained, depending on a given water level. All other studies will concentrate on these areas.

Q. Why are existing USGS maps inadequate for this study?

A. USGS maps for this area are on 20′ contour intervals, which is not detailed enough for studies which must reflect changes in units of one foot or less.

Q. Will the map prepared from this study serve any value other than for this study?

A. The maps will be of great value to the State conservationists in their fish and wildlife production studies. Should the results of this program indicate a need for other structures in the lake to protect wetland areas, for example, these maps will be of immense help in determining the best location for such structures.

Q. If the topographic mapping were not begun until the release of FY 1976 appropriations, when could the study be completed? What effect would this delay have on the willingness of the Canadians to participate in the study?

A. If funding were postponed until FY 1976, the study, which has been designed around two spring seasons, would not be completed until December 1977 or January 1978, one year later than now scheduled. Such a delay could be construed as a stalling tactic by the Canadians and could jeopardize the cooperative spirit they now have toward the project. They could decide to proceed on their own project without waiting. This could have serious environmental impacts on the fish and wildlife of the area. Flooding conditions that might then occur on Lake Champlain and the Richelieu River could cause an international crisis in terms of ill will of the people of the area. Further, this country would lose a certain amount of credibility in the eyes of the Canadian government. This

could have far reaching, long-term effects on relations between the two governments.

HABITAT PRESERVATION INCREASES

Senator STEVENS. We will submit some of our budget questions to you for the record. The request for habitat preservation totals $21,362,000—up $4,373,000. You have 62 new positions, and most of them in R. & D. impact studies. Are those environmental impact studies?

Mr. GREENWALT. Not in the traditional sense of environmental impact statements. These are positions to determine what the impacts on fish and wildlife are likely to be as a result of energy development. Oil shale, coal development, Outer Continental Shelf, this kind of energy-related activity.

Senator STEVENS. That is a problem I mentioned when Secretary Reed was here. We are going to get downstream on the gulf and not have information to file an environmental impact statement. We have baseline studies and impact studies. We do not have an environmental impact statement made.

Mr. GREENWALT. Our contribution to this whole process is the environmental impact statements prepared by other agencies in connection with these things.

Senator STEVENS. Why do you need so many positions in that one category? It is $4.3 million over the 1975 program.

Mr. GREENWALT. The principal concern we have is being able to apply these special skills and understandings that are necessary to comprehend what it is that is likely to happen with this kind of energy development.

I give you an example as it applies to your own State. As you know, there has been a great deal of concern about obtaining gravel for the pipeline surface roads without having that gravel taken in such a way it destroys fisheries or otherwise modifies the environment.

Our scheme in this particular circumstance is to define ways and places that gravel can be taken without a major impact on the environment and thereby make it possible to proceed with these activities. This can be done generally only with the application of special skills that we feel must exist in the Fish and Wildlife Service.

We do contract at present and will contract for certain kinds of regular information. However, we find the analysis of this information and its conversion into manuals, guidelines, and blueprints that can be used by a contractor or construction manager require the application of special skills that we find we cannot get through contract.

INCREASED REQUEST FOR HABITAT PRESERVATION

Senator STEVENS. In regard to the requested increase for habitat preservation, what kind of people will you be hiring?

Mr. GREENWALT. We will be hiring people with professional training and experience in fish and wildlife biology, ecology, or closely related skills.

Senator STEVENS. What will be their average grade and salary?

Mr. GREENWALT. We estimate an average grade and salary level of 11.5 and $17,545.

Senator STEVENS. What did last year's $4 million increase for energy investigations produce?

Mr. GREENWALT. In fiscal year 1975, $4.1 million was provided to initiate the Biological Services program. Of this, $1.8 million provided directly for energy research and development activities for work on oil shale, coal, and powerplant siting problems. The remaining $2.3 million provided for other Biological Services activities which are only partially related to energy development problems, such as work on stream alteration, conduct of a national wetlands inventory, and studies of Western water development.

MAJOR ACCOMPLISHMENTS

Senator STEVENS. Can you cite major accomplishments?

Mr. GREENWALT. The program was initiated as a new activity in fiscal year 1975. Accomplishments are: First, we have developed a high level of expertise within the Fish and Wildlife Service to attack critical environmental problems affecting fish and wildlife resources through improved collection and dissemination of ecological information. This has been accomplished by establishing a headquarters Office of Biological Services with a highly skilled interdisciplinary staff; four national teams dealing with Western energy and land use, powerplant siting, stream alterations and coastal ecosystems problems; and recruitment of senior environmental specialists to be located in Fish and Wildlife Service Regional Offices.

Second, cooperative relationships and joint projects have been initiated with a number of Federal agencies such as the Council on Environmental Quality, the U.S. Forest Service, the Bureau of Land Management, and the Environmental Protection Agency. Third, we have initiated a large number of important studies and other activities. Examples are ecological surveys of potential geothermal lease areas to identify environmentally sensitive and critical areas. This information will be used in the leasing program. We are also developng techniques to mitigate oil shale development damages in ways which will have maximum wildlife benefits.

We are conducting habitat surveys of potential strip mining areas in the Northern Great Plains, using remote sensing and other advanced techniques. We have initiated the national wetlands inventory to classify and delineate the Nation's wetlands resources and their status. We are providing scientific and technical advice to the Bureau of Land Management concerning environmental studies of Outer Continental Shelf oil and gas lease areas. We are funding surveys of selected California estuaries subject to future development and environmental stress. Studies of the Upper Mississippi River are being conducted to develop better means of reconciling channel maintenance activities with protection of fish and wildlife habitats. Studies have been initiated to improve methodology for determining in-stream flow needs for fish and wildlife in connection with western water development. We are funding development of techniques for locating power transmission corridors in ways which will minimize environmental damage. Studies are being made of abandoned coal mines in Appalachia to develop reclamation criteria related to fish and wildlife.

These and other activities initiated in fiscal year 1975 are expected to yield results which will be directly applicable in improved decisions concerning reconciliation of land, water, and energy development

activities with protection of fish and wildlife and associated ecological values.

ALASKA PIPELINE MONITORING CONTRACT

Senator STEVENS. How is the pipeline monitoring contract doing?

Mr. GREENWALT. It has been quite successful. The pipeline, as you know, is moving ahead quite rapidly. We have 12 monitors on 1.

Senator STEVENS. What is the cost of that program? Are you still being paid for the total cost of the monitoring?

Mr. GREENWALT. That is right, the actual cost of the monitoring. It is about $500,000 a year, but I am not absolutely certain of the actual cost. As you know, it is reimbursed by theAlyeska Co. and I am not certain of the total cost as opposed to the appropriation.

Mr. WILES. I have the figures here on the pipeline cost. From 1969 to 1974 the cost was $15,573,000; for 1975, $10,039,000; and for 1976, $9,991,000. So through 1976 it would be a total of $35,603,000.

Senator STEVENS. That has all been reimbursed to the Treasury?

Mr. WILES. We have collected up through 1974. We are getting reimbursements on a quarterly basis.

BUDGET POLICY ON PIPELINE COSTS

Senator STEVENS. I mentioned last year what happens to us when we put this in this budget when we have ceilings. It sure seems to me the backward way of doing business because it just limits other programs and it is 100-percent reimbursable.

I do not know why you cannot work out an agreement on financing that does not involve jeopardizing our overall budget ceiling with that amount.

It goes in and then it comes back later. Meanwhile, it counts against this committee's overall ceiling, which continues to go up. That means there is $35 million that has been credited against the amount we have appropriated against all of these deficits and everything else that does not have any relation to deficits.

I do not know why you cannot create a revolving account. We have a lot of places we can use $10 million this year. It would solve the American Samoa problem as you have just heard, but yet we have a ceiling. You have a ceiling from OMB. We have a ceiling on from the Congress. I would urge you to try to figure that out. I do not know how to do it but there must be some way legally to do it.

MIGRATORY BIRD REFUGE REHABILITATION

Now what about this $423,000 increase for migratory bird refuges, for rehabilitation work? First, is that a force-account?

Mr. GREENWALT. In part, not entirely.

Senator STEVENS. How much of it is force-account?

Mr. GREENWALT. I am not sure precisely.

Senator STEVENS. You can provide it for the record. Why is it force-account?

Mr. GREENWALT. Much of it can be done with existing staff or part-time labor. Replacement of facilities or the rehabilitation of a building's roof; for example, repainting. This is the nature of the work. Much of this would be done in terms of force-account as opposed to contract work.

[The information follows:]

Decisions on whether rehabilitation projects are done force-account or contract are usually made at the regional level after the funds have been made available. This procedure works well because the decisions are then made on the basis of current information. Many factors influence these decisions, such as personnel availability, contractor availability, urgency of repairs, and weather conditions. For these reasons, it is impossible to determine at this time what proportion of the $423,000 increase would be used for force-account as opposed to contracts.

NONHUNTER SHARING OF COST BURDEN

Senator STEVENS. Have you ever approached the conservation organizations with a proposal—I remember President Eisenhower did, and he got thwarted a little bit—to place a portion of the burden of maintaining bird refuges and other refuges and wetland acquisitions on those who are not hunters?

Mr. GREENWALT. As Mr. Reed mentioned this morning, we are contemplating this. There has been a similar proposal advanced by conservation organizations generally governing the whole spectrum of fish and wildlife facilities and acquisition funding utilizing excise taxes.

There are a variety of approaches that place the burden on the user and not necessarily on the general taxpayer by emphasizing an opportunity for the user to pay his way for such things as endangered species protection and maintenance of areas that are used heavily by outdoorsmen.

Senator STEVENS. We have placed a tax on manufacturers of bows, arrows, those kind of things, and we still have not placed any burden on nature walkers, hikers, and others who use these refuges. They use them as intensely as anyone else. We ought to find some way to encourage some kind of contribution from those people. They have a role in this overall program certainly.

Mr. GREENWALT. We are examining this possibility Mr. Chairman. It is one we have recognized for some time and we share with you your conviction. It is certainly a way that ought to be utilized to pay for these operations in these areas.

SIXTY MILLION DOLLAR BACKLOG OF REHABILITATION NEEDS

Senator STEVENS. You told us you have a $60 million backlog of migratory bird refuges alone. What is your capability over and above the estimate for that maintenance program?

Mr. GREENWALT. About $30 million. As you know, we have been contributing information and we have developed estimates that approach about $30 million.

Senator STEVENS. Please submit a listing of your most urgent needs within your capability and indicate how many dollars and personnel would be needed to carry it out.

Mr. GREENWALT. I should be pleased to do so, Mr. Chairman.

[The information follows:]

Based on a recent update of our existing inventory the rehabilitation backlog within the National Wildlife Refuge system is growing at an accelerated rate. The most critical needs, totaling $30 million, are listed in the table below.

Personnel needs are not shown because the major portion of this work would be accomplished through contracts and with temporary labor. Permanent personnel already in place would supervise the projects.

Refuge and State	Rehabilitation Needed	Amount ($000)
Columbian White-tailed Deer, WA	Buildings, roads, fences	150
Loxahatchee, FL	Buildings, facilities	1,194
Hawaiian Island, HI	Water course opening	100
Aransas, TX	Buildings, dikes, fences	3,000
Parker River, MA	Buildings, roads, dikes	1,600
Mattamuskeet, NC	Tower, buildings, roads	840
Merritt Island, FL	Roads, dikes, structures	198
Sacramento, CA	Buildings, water system	410
Bosque del Apache, NM	Buildings, roads, dikes	500
Brigantine, NJ	Buildings, roads, fences	370
Bear River, UT	Buildings, roads, fences	459
Monte Vista, CO	Buildings, roads, facilities	330
Tule Lake, CA	Water delivery system	100
Wheeler, AL	Buildings, roads, equipment	351
Havasu, AZ	Buildings, dikes, roads	300
DeSoto, IA	Roads, rip-rap shorelines	180
Benson, MN	Buildings, roads, fencing	275
Blackwater, MD	Buildings, roads, fencing	370
Dismal Swamp, VA	Roads, fencing, structures	700
Sand Lake, SD	Buildings, structures, roads	863
Tennessee, TN	Buildings, roads, facilities	1,045
Malheur, OR	Buildings, roads, dikes	350
Montezuma, NY	Buildings, roads, dikes	900
Salt Plains, OK	Buildings, dikes, structures	600
J. Clark Salyer, ND	Buildings, roads, fences	290
Tinicum, PA	Buildings, roads, fencing	110
Savannah, SC	Buildings, roads, dikes	690
Laguna Atascosa, TX	Buildings, roads, structures	1,500
Back Bay, VA	Buildings, roads, structures	200
Chincoteague, VA	Buildings, roads, fencing	260
Mark Twain, IL	Buildings, roads, fencing	1,925
Muscatatuck, IN	Buildings, roads	290
Okefenokee, GA	Buildings, utilities	862
White River, AR	Buildings, roads, levees	1,989
Sabine, LA	Buildings, levees, equipment	6,669
	Total*	29,970

*Within this amount $1,400,000 is included in the Job Opportunities Program.

OPERATING DEFICIT OF REFUGE SYSTEM

Senator STEVENS. Please expand on the status of the National Wildlife Refuge System. In terms of dollars and people, just how far are you behind in the management and upkeep of these refuges?

Mr. GREENWALT. Quite far. The funding status of the refuge system is critical. The system must receive increased funding or continue to reduce its programs, activities, and responsibilities. Substantially increased funding and manpower is required if the deterioration of the system is to be stopped and efforts begun to catch up in the management and upkeep of these refuges.

Over the next 6 years, the funding level for refuge field stations should increase to $46.4 million in operations and custodial maintenance funds and 1,740 permanent man-years of personnel. In fiscal year 1976, a total of $27.2 million is needed in operations and maintenance funds, along with 1,022 permanent man-years of personnel. This compares with $20.1 million and 840 permanent man-years of personnel anticipated for fiscal year 1976, which is approximately the same as received in fiscal year 1975. The staffing level needed in fiscal year 1976 is well within the congressional authorization, but represents an increase of approximately 300 permanent employees in occupied positions and budgetary ceilings.

The $27.1 million operations and maintenance level needed immediately for field station funding would constitute the funding package upon which future fiscal and manpower needs are based. This level does not include funding for support personnel in central, regional, and area offices. It should be emphasized that funding at this level would not substantially increase production of wildlife outputs. Instead, it would insure the continued production of existing wildlife benefits.

FUNDING OF NEW REFUGES

Senator STEVENS. What about funding for new refuges, a subject near and dear to my heart. Am I correct that two-thirds of the lands in fish and wildlife refuges are in the State of Alaska?

Mr. GREENWALT. Not so much as two-thirds. About 19 million acres in Alaska.

Senator STEVENS. About 50 percent. If the D–2 proposals are approved, you will have 53 million in Alaska and 14 million in the rest of the country. Is that right?

Mr. GREENWALT. About that; yes.

Senator STEVENS. Maybe you will understand why it is near and dear to my heart. What about funding for new refuges?

Mr. GREENWALT. New refuges? There is none listed in the budget at this time in terms of the Alaskan refuges. None of the areas——

Senator STEVENS. They are not established as yet?

Mr. GREENWALT. No; they are not established as yet?

Senator STEVENS. Do you have any capability for new refuges elsewhere than in Alaska?

Mr. GREENWALT. Yes, sir. There are several that we now have or will be acquiring shortly—Arkansas, Illinois, Louisiana, New Mexico, and Indiana.

LAND ACQUISITION PROGRAM

Senator STEVENS. We have several funds involved in this wildlife refuge land acquisition program, don't we?

Mr. GREENWALT. In the acquisition program there are two kinds of funds involved: the Migratory Bird Conservation Account and the Land and Water Conservation Fund.

Senator STEVENS. Where do you derive the funds from each one?

Mr. GREENWALT. The migratory bird funds are derived from the so-called duck stamp, as we mentioned earlier.

Senator STEVENS. There are no other contributions to it?

Mr. GREENWALT. No. The Land and Water Conservation Fund moneys are derived from the parent fund, taxes on outdoor motor fuels, and receipts from Outer Continental Shelf leasing.

Senator STEVENS. What is the balance of that latter account?

Mr. GREENWALT. As I understand, the unobligated balance at present is just under $3 million.

Senator STEVENS. How much are you asking from that account this year?

Mr. GREENWALT. Our request is $8.5 million.

MIGRATORY BIRD CONSERVATION FUND

Senator STEVENS. We will take up the Land and Water Conservation Fund in a later hearing, But on wetlands acquisition, you have again failed to ask for any advance appropriation for the Migratory Bird Conservation Account. Do you consider that wise in view of expiration of this authorization next year and the failure to meet the wetlands acquisition objective?

Mr. GREENWALT. In view of the urgent need for preserving migratory bird habitats, and the waning opportunities to do so, it certainly does not appear wise. However, in consideration of the planning constraints placed upon us and the need to maintain ongoing programs and continue new thrusts for protecting endangered species and preserving broad fish and wildlife environmental values, we feel there is no other choice.

ALASKA NATIVE CLAIMS SETTLEMENT ACT

Senator STEVENS. On the Alaska Native Claims Settlement Act, you have four positions and $400,000 additional for this year. Is that enough money to meet the time frame of the Native Claims Settlement Act?

Mr. GREENWALT. It may very well not be, depending on how rapidly the proposals are considered in the Congress.

Senator STEVENS. I recently wrote you a letter about this, including a suggestion from one of my constituents about a Native liaison program. Have you approved such an approach, and are you going to implement a Native liaison program to implement the refuge system in Alaska?

Mr. GREENWALT. Yes; we are presently attempting to recruit some Native peoples to participate in this program. We would like to recruit more. I am told there are some difficulties in getting people who are bilingual and interested and possess a proper background for the kind

of jobs we have. We want very much to get some of these people on board. Our area director in Alaska is working diligently toward this end. We have two in the current fiscal year and will be looking for more in 1976.

1975 PREDATOR CONTROL

Senator STEVENS. Last year you asked for some $2 million in grants-in-aid money for animal damage control. I am informed that authorizing legislation did not pass. Did you use that money?

Mr. GREENWALT. I should correct you. The authorizing legislation to enable us to use these kinds of funds in cooperation with the States exists and has existed since 1931. Our primary problem is that many of the States themselves lack the kind of legislative authority to engage in this activity. Several are pressing for changes in this legislation now. We have one agreement days away from completion in the State of Washington.

Senator STEVENS. You still didn't tell me what happened to the money.

Mr. GREENWALT. The money was being held and as the animal damage year advanced we began to distribute it to keep up the level of Federal animal damage control in order to discharge the responsibility given us by the 1931 act.

Senator STEVENS. Are you not in fact presuming the authority of the legislation that did not pass?

Mr. GREENWALT. We have legal opinions that that authority, as it relates to entering into cooperative agreements with the States, exists in the 1931 legislation. There were other provisions in the legislation which did not pass, or were not fully considered in the last Congress, in which we have an interest, but it did not require the passage of that legislation to enable us to use these funds.

GRANT POLICY

Senator STEVENS. If the States agree to pick up the predator control responsibility, how do you intend to administer grants-in-aid? What formula would you use?

Mr. GREENWALT. Funding will be provided on a 40–60 basis with the Service providing 60 percent of the total amount not to exceed $300,000 per fiscal year. The agreement will permit the State fish and game department or department of agriculture, whichever has legal authority, to conduct the program in compliance with Federal guidelines and policies. An annual plan of work will be required prior to the working year for Service approval. It will cover such points as program objectives, costs, manpower, and monitoring procedures.

Senator STEVENS. What response have you received to date from the Western States that have been contacted?

Mr. GREENWALT. To date, no western State has entered into a grant-in-aid cooperative agreement to transfer operational animal damage control responsibilities. However, the Service's Portland, Oreg., regional office and the Washington Department of Game have tentatively agreed on a draft grant-in-aid cooperative agreement. The draft agreement is currently under review in the central office.

RESEARCH ON COYOTE CONTROL

Senator STEVENS. What direction are you headed in coyote control? Are poisons still banned?

Mr. GREENWALT. Presently, Fish and Wildlife Service's direction on coyote control involves the orderly transfer of the operational predator control responsibility to the States and an increased research effort. The coyote is a resident species, and normally such species are the responsibility of the State. In those States which do not wish to accept this responsibility, the Service will maintain its current cooperative program.

Much of the disagreement over coyote control exists because of the lack of acceptable recorded data on which to base judgments and establish management policy. Therefore, we are directing and encouraging research to gain answers to the entire coyote management problem.

The Department remains firm in its support and implementation of Executive Order 11643. It is clear in the order that the purpose is to restrict the use of poisons on Federal lands and in Federal predator control programs, but that exceptions will be allowed when it has been determined that an emergency exists that cannot be resolved without the use of chemical toxicants. Use of the M–44 cyanide ejector is such an exception.

POLICY OF HATCHERY TRANSFERS

Senator STEVENS. Let's turn now to your fishery resources activity. How much farther do you plan to go with the policy of transferring hatcheries to State management or ownership—the policy we discussed earlier with Secretary Reed?

Mr. GREENWALT. The Service plans to continue to phase out Federal fish production for stocking farm ponds and State-owned and managed waters. This does not apply to federally stocked fish in State-owned and managed waters under reciprocal arrangements of a cooperative agreement. It is our intention to accomplish this objective as quickly as possible but in such a way that the impact on our Nation's sport fishery resources is kept to a minimum. Originally, a decision was made to phase out production at 20 Federal hatcheries during fiscal year 1975 and an additional 10 during fiscal year 1976. This would have reduced the number of Federal hatcheries to 75 and 65, respectively. It now appears that we may have difficulty in keeping this schedule.

The Service plans to continue the effort to effect transfer of hatcheries when they can be accomplished with the approval of receiving States and the appropriate congressional committees. At this time, the exact number of Federal hatcheries that will eventually be transferred cannot be predicted.

INCREASE FOR GREAT LAKES RESEARCH

Senator STEVENS. The only program increase shown under your fishery resources activity is for Great Lakes fishery research, $296,000. Since most of this apparently will be contracted out, why do you need a $100,000 travel and equipment increase?

Mr. GREENWALT. Three of the proposed projects are new research studies and will require some increase for travel and considerable expenditures for supplies and equipment. The sampling of fish for stock assessment and population dynamic studies will require transportation of personnel and equipment to Lake Ontario from Sandusky, Ohio, or Ann Arbor, Mich., and considerable travel and per diem on the lake associated with the actual sampling. The availability of a new research vessel and the stationing of its crew on the shores of Lake Ontario would reduce these costs in future years. In fiscal year 1976, commercial fishing vessels will have to be hired to collect the samples.

Senator STEVENS. Why do you seek to increase this program at the present time?

Mr. GREENWALT. The need to conduct these studies has already been delayed too many years. Recent studies have shown that some important sport and commercial populations such as the walleyes in Lake Erie, chubs in Lake Michigan, are declining at an alarming rate and research is needed to evaluate the decline and determine the probable cause or causes. Chemical contaminants are approaching critical levels and the commercial fisheries are being threatened with closure. The increased environmental pressures on the Great Lakes make it a necessity that this work begin now. Further delay of these program objectives will undoubtedly have great bearing on our effective management of these important resources.

INLAND FISHERIES

Senator STEVENS. Your inland fisheries activity is continued at the same funding level—$15.2 million. I note your fish production estimates are down for 1976. Is this because of the hatchery transfers or because of the reduction in operations?

Mr. GREENWALT. The forecasted reductions in fish production will be due primarily to the inflated costs of hatchery operations coupled with the reduction in number of Federal hatcheries.

ENDANGERED SPECIES PROGRAM

Senator STEVENS. Tell us about the endangered species program. You have a $1.7 million increase.

Mr. GREENWALT. This is funding designed to enable us to use the funding already on board, for instance, in the area of law enforcement, which is important to the function of endangered species protection. The other is to continue the basic research and review programs necessary to the listing and delisting of species that are either on the endangered or threatened list or should be considered for placement on one or the other.

Senator STEVENS. Are you going to use any of that money to contract out?

Mr. GREENWALT. We use large sums of it for contracting out; yes, sir.

Senator STEVENS. What kind of entities?

Mr. GREENWALT. Universities, Government agencies.

Senator STEVENS. Is any of that used for enforcement?

Mr. GREENWALT. No. Only the biological review, the special research efforts that are necessary on the biological side. We do contribute some funding to the National Marine and Fisheries Service in terms of some enforcement agreements we have with them. We do not contract out law enforcement to any agency.

Senator STEVENS. Are you supporting any other activities under the endangered species request?

Mr. GREENWALT. Not under the provisions provided in the act, no sir.

ENDANGERED SPECIES ACCOMPLISHMENTS

Senator STEVENS. How is the endangered species program doing in terms of real accomplishments?

Mr. GREENWALT. In the 14 months that have elapsed since passage of the Endangered Species Act of 1973, we have made substantial progress in laying the foundation essential to the implementation and operation of this very comprehensive and complex law. Our accomplishments include: development of draft rules and regulations essential to implementing sections 4, 6, 9, and 10 of the act; developed a memorandum of understanding with the Department of Commerce on our respective areas of administrative jurisdiction; held a series of meetings across the United States to brief other Federal, State, and private organizations on the act; developed a model nongame and endangered species bill to help States obtain necessary authorities for cooperative agreements under section 6; developed guidelines for the States to use in preparing cooperative agreements; initiated action to obtain Public Law 480 funds under section 8; called the attention of all Federal agencies to their obligations under section 7; developed improved methods of handling the ever increasing permit review and issue workload; developed a system to place priorities on endangered and threatened species and the actions needed to effect their recovery; and a host of other actions essential to implementing the act. In addition, we have combined the previous native and foreign endangered species lists into one list as required by the law; listed 3 species of kangaroos as threatened; proposed the listing of grizzly bears as threatened in the lower 48 States and initiated status reviews on approximately 350 other species both native and foreign that we believe to be in trouble.

ENDANGERED SPECIES ENFORCEMENT

Senator STEVENS. How many enforcement positions do you have now under the $2 million budget amount that is not being increased? Is that adequate?

Mr. GREENWALT. We currently have 80 full time permanent endangered species law enforcement positions under the $2 million budget amount. In our judgment, this is not adequate. We need funds and ceilings for 15 new law enforcement positions for 1976. Five positions for ports of entry to carry out section 9(a) of the act to protect endangered species through restriction of exportation, five positions for domestic enforcement to restrict interstate commercial traffic in endangered and threatened species, and five positions to support intel-

ligence on the international movement of illicit wildlife and international enforcement cooperation.

Senator STEVENS. Your justification mentions that conviction of a prominent businessman for taking illegal game in Yellowstone and nearby and mentions the deterrent effect of resulting notoriety. There were news stories to the effect that there was an attempt to hush up the case. Was there?

Mr. GREENWALT. Our policy on law enforcement cases involving arrests, seizures or sentencing is to clear the release with the Department of Justice for appropriateness. Although this particular release was cleared through the Department of the Interior, Justice stated that out of respect for an individual's rights, including rights of appeal, absolutely no news releases are to be issued on convictions.

There was no attempt to cover up this case. On the contrary, we believe that one of the deterrents to wildlife violations is publicity about successful prosecutions of wildlife violators. The sentencing of this individual, George Gamble, was a landmark in the area of enforcement of our Nation's wildlife laws. In this case, Gamble was convicted and sentenced on two criminal counts for violating the Lacey Act. He was fined $10,500, was forced to donate 1 day each weekend for 1 year to aid in the work of wildlife conservation, and was forbidden to hunt wildlife anywhere in the world for 3 years. The local press in San Francisco did carry news of his conviction.

PUBLICATIONS ON ENDANGERED SPECIES

Senator STEVENS. We have been told the service does not have any publications of an educational nature on endangered species.

Mr. GREENWALT. We have two booklets, "The Right to Exist" and "United States List of Endangered Fauna"; pamphlets on whooping cranes, the bald eagle, and protecting our endangered birds; and so far in fiscal year 1975 we have issued nationally 18 press releases and feature articles on endangered species. In addition, we are preparing now to publish two brochures, "Facts About Federal Wildlife Laws" and "Questions and Answers About the Endangered Species Act," and by July 1975 we will have named and announced, by press releases, 57 recovery teams, each responsible for developing and implementing a recovery program for a specific endangered species.

Senator STEVENS. How much is budgeted for public and educational information, and what is planned in the way of publications?

Mr. GREENWALT. We have budgeted $25,000 for public and educational information activities in fiscal year 1976 in support of the endangered species program. We plan to publish wildlife portrait series No. 4, a collection of endangered species portraits together with a booklet describing the plight of each and the measures being taken to protect it. In an effort to lighten the workload of answering public inquiries about various endangered species, we plan to publish an inexpensive series of fact sheets of one to four pages about those threatened or endangered species the public most commonly asks about. We will continue, of course, to issue press releases and feature articles and to service requests from the media for information about recovery team operations, the official listing and delisting of threatened and endangered species, and other activities concerning endangered species.

SCRIMSHAW BILL

Senator STEVENS. We just reported the scrimshaw bill out of the Commerce Committee today. Have you had other such problems develop?

Mr. GREENWALT. Yes. We have provided suggested legislative changes to cope with those problems, several associated with the scrimshaw concern and several others.

Senator STEVENS. Has that legislation been submitted?

Mr. GREENWALT. It was in the last session. I believe it has been——

Mr. SCHREINER. Just in the last session.

Mr. GREENWALT. We are preparing an administration approach to some of the problems implicit in the original bill.

Senator STEVENS. I am talking about the scrimshaw exemptions.

Mr. GREENWALT. There are some.

Senator STEVENS. I understood there was some problem about jaguars. Are you familiar with that problem?

Mr. SCHREINER. If I may, Senator Stevens, the problem is that jaguars are endangered. As such they are untouchable under the Endangered Species Act.

Senator STEVENS. Even if they were taken prior to the date of the act? That is in effect what the scrimshaw amendment is.

Mr. SCHREINER. If I am not mistaken there is a time period in which they come under the so-called grandfather clause. The grandfather clause in the Endangered Species Act is not an effective grandfather clause.

Senator STEVENS. I have been asked to offer an amendment to that bill and I served notice in the committee today. I was the one who moved Senator Kennedy's bill out of the Commerce Committee today. It was obvious scrimshaw, it was not to be included. I do intend to offer amendments to that bill on the floor and we will be taking that bill up on a consent basis so if you have any noncontroversial suggestions to make I would appreciate it if you would get them to me. It may be even tomorrow. I think it is S. 229.

INTERPRETATION AND RECREATION

There is no program increase for interpretation and recreation. You announced an effort to cut back on nonwildlife-oriented recreation programs. Is that right?

Mr. GREENWALT. Our object was to avoid expenditure of funds for such things as waterskiing, recreational swimming, and recreational boating. Our effort has been, for the last 2 years, to emphasize those kinds of recreation that are related to the wildlife and values of the refuges.

Senator STEVENS. Your recreation program for 1975 and 1976 does not indicate any significant changes. Is the program stabilized now, or do you plan additional cuts?

Mr. GREENWALT. We have reduced nonwildlife oriented use to realistic and more manageable levels on most refuges and fish hatcheries. At this time we have not identified additional cutbacks.

Senator STEVENS. Your figures indicate increased recreation visitation. Is this budget adequate to handle that?

Mr. GREENWALT. The answer to your question is no, because generally most of our programs today are conducted at minimal levels and cannot be expanded under present funding levels. Increased visitation, rising costs and adding new stations without increased funding, all contribute to a continuing decline in the quality of programs and services that we can provide visitors. We estimate that an additional $2 million is needed in this program just to handle and maintain the increase in visitation at the present level of operation with existing facilities. Without additional funding it is very possible that we will have to eliminate programs or close stations of lower priority in order to meet new demands.

CLOSURE OF AQUARIUMS

Senator STEVENS. Is the aquarium included in that policy to cut nonwildlife recreation? Senator Johnston has complained about eight aquariums closed in Louisiana.

Mr. GREENWALT. That is right. Not as a direct result of that policy but an increasing necessity to save funds. We have, during the past couple of years, closed several aquariums and are planning to reopen several.

Senator STEVENS. Did you explore the possibility of user support before you closed them?

Mr. GREENWALT. Do you mean a fee?

Senator STEVENS. Yes.

Mr. GREENWALT. I am not sure that was discussed in any great detail. There was, in effect, a user fee on one aquarium; I think it was 10 cents per visitor, at Gavin's Point, S. Dak. It did not realize enough income at that fee level to offset its costs.

Senator STEVENS. Would you give the committee a statement of what your proposal will be with regard to the aquariums in the future?

[The information follows:]

Aquariums in operation at national fish hatcheries will continue to be available to the public as a part of this Service's educational and interpretative programs. The reopening of aquariums that are currently closed is dependent upon an increased availability of funds and manpower to defray operational costs within the interpretation and recreation category.

CONSTRUCTION

Senator STEVENS. You have dropped your construction account from $18 million to $3 million. We would like to have, and I know you have given some of this in the other bill, but we would like to have the highest priority construction items that you would proceed on if you had additional funding in this bill.

Mr. GREENWALT. Very well, sir, I have them before me although I will submit them for the record if you prefer.

[The information follows:]

In addition to the projects which have been included in the FY 76 budget justifications, which are of the highest priority, the following projects are of the next level of priority:

Station	State	Amount (millions)
1. National Fish and Wildlife Health Laboratory (Leetown)	West Virginia	$3.5
2. Northeast Pennsylvania Research and Development Center	Pennsylvania	4.0
3. LaCrosse Fish Control Laboratory	Wisconsin	3.9
4. Warm Springs National Fish Hatchery	Oregon	2.2
5. Sherburne National Wildlife Refuge	Minnesota	.6
6. Quinault National Fish Hatchery	Washington	.3
7. White River National Fish Hatchery	Vermont	2.3
8. Mattamuskeet National Wildlife Refuge	North Carolina	.2
9. Muscatatuck National Wildlife Refuge	Indiana	1.1
10. Noxubee National Wildlife Refuge	Mississippi	.1
11. San Marcos National Fish Hatchery	Texas	1.7
Total		19.9

ACQUISITION OF GREAT LAKES RESEARCH VESSEL

Senator STEVENS. How did you plan to acquire the requested Great Lakes research vessel? Are surplus vessels available?

Mr. GREENWALT. We have already conducted a search of surplus vessels and have found none that come close to meeting the needed specifications. We are exploring the purchase of a standard stock 75-ft. Gulf Stream shrimp trawler which with very minor modification could accommodate both gillnetting and trawling operations. An alternative is to locate a suitable used vessel. The latter alternative is not necessarily the best one since most fishing vessels would require considerable modification for research use.

GREEN LAKE HATCHERY

Senator STEVENS. Will the $1.6 million requested for the Green Lake hatchery construction in Maine complete this project?

Mr. GREENWALT. No, these funds will complete the next-to-last phase of this project. This will include fish production facilities, a multipurpose operations building, a mechanical/utility building, effluent treatment facilities and equipment.

Senator STEVENS. What is the total overall cost of the Green Lake project?

Mr. GREENWALT. The total is $6,310,000.

ANADROMOUS FISH

Senator STEVENS. Now, you have a $3.5 million request for anadromous fish grants made to the States. Is that a matching program?

Mr. GREENWALT. Yes; it is.

Senator STEVENS. Your request is, I understand, only about half of what the States are willing to match.

Mr. GREENWALT. Yes, sir.

Senator STEVENS. Would you give us a list of those that would not be matched under the budget estimate?

Mr. GREENWALT. I would be glad to Senator.

[The information follows:]

A. State requests not included in budget requests.

	Amounts
Alaska:	
New—Ft. Greeley salmon and steelhead rearing ponds	$175,000
New—Sheefish study (Nome)	24,000
New—Coho salmon study (Cook Inlet)	12,500
New—Anadromous sport fish harvest study	10,000
Subtotal	221,500
Michigan:	
New—Planning for Great Lakes research station	25,000
New—Modernization of hatchery and research facilities	1,494,250
Subtotal	1,519,250
New York:	
New—Lake Erie fishery development	20,000
New—Hudson River fishery development	15,000
New—Long Island anadromous fishery development	15,000
New—Lake Champlain sea-run salmon development	15,000
Subtotal	65,000
Washington:	
New—Calawa River steelhead pond construction	100,000
Wisconsin:	
New—Additional hatchery facilities	570,000
Total	2,475,750

B. Projects included in the budget request for amounts less than requested by States.

Alaska:	
AFS-40—Crystal Lake hatchery improvements	104,655
Michigan:	
AFS—Fish passage, weirs and barriers	222,000
New York:	
AFS—Anadromous trout and salmon hatchery development	383,300
Total	709,955
Grand total	3,185,705

PROJECT-BY-PROJECT MATCHING

Senator STEVENS. Have you decided which would be matched under the $3.5 million level?

Mr. GREENWALT. Yes, sir. We have a complete list.

Senator STEVENS. Is it equal distribution or formula distribution based on the amount of money available to you?

Mr. GREENWALT. It is not on a formula distribution. It is decided on a project-by-project basis.

ADDITIONAL POSITIONS FOR CONTRACT ADMINISTRATION

Senator STEVENS. You request five new positions in your Washington office for contract administration. How many positions are now assigned to that, and why do you need more?

Mr. GREENWALT. There are currently three employees assigned to the contracting area, two contract specialists and the Chief, Branch of Contracts. The contract specialists work full time in contracting but the Branch Chief also supervises the small purchasing program and serves as Assistant Division Chief. This prevents him from devoting full time to contracting. This present staff capability in CGS is not adequate to fulfill all requirements under existing Federal contracting laws and regulations or to provide the level of service needed to support the efficient, effective and timely conduct of the Service's major operational programs. New Service responsibilities, such as those represented by the biological services program, will double the number of contracts to be issued by the Service. It is estimated that there will be $5 million in fiscal year 1975 and $7 million in fiscal year 1976 available in this program for contracting purposes. Also, in an effort to achieve greater efficiency and effectiveness in operations, all research-related contracting has been transferred to the Washington office. There are no research personnel or contracting specialists in the field familiar with research contracting.

It is estimated that in fiscal year 1976 CGS will administer over 400 contracts. These include multiyear contracts, contracts that have been amended to extend performance time, and contracts awarded in fiscal year 1975. Greater competition in award of these contracts, which will result in increased potential contractor interest and decreased cost to the Government, will substantially increase the total fiscal year 1975 workload. The CGS staff must be complemented to handle this workload and carry out such responsibilities.

REQUESTED TRAVEL INCREASE

Senator STEVENS. There is a $276,000 increase for travel in this budget. Why is that needed?

Mr. GREENWALT. The increase is needed to partially restore the $380,000 reduction in travel funds effected by Congress in the fiscal year 1975 budget. The reduced level created numerous program management constraints and necessitated establishment of travel ceilings along with rigid administrative controls in order to avoid overspending the amount authorized. The $276,000 increase will help with this problem and it also will provide travel funds for new and expanded program needs, including the energy R. & D. activities.

GSA SPACE CHARGES

Senator STEVENS. You have sizable increases for GSA space rental throughout your programs. Do they appear to be fair as compared to going commercial rates?

Mr. GREENWALT. Space costs are established by the General Services Administration based upon market surveys which they conduct of commercial rates in the various areas of the country. Consequently, our space costs should be comparable with commercial rates.

QUESTIONS SUBMITTED BY SENATOR M'GEE

Senator STEVENS. Unfortunately, gentlemen, that is another vote. I thank you for coming back. We have some additional questions from other Senators which we will submit to you to be answered for the record.

Thank you very much for returning. I would appreciate your advice on that one endangered species bill.

Mr. GREENWALT. We will be pleased to give it to you.

[The questions and answers follow:]

GRIZZLY BEAR MANAGEMENT IN YELLOWSTONE ECOLOGICAL SYSTEM

Q. For the record, can you bring us up to date on the Service's plans for the management of grizzly bears in the Yellowstone ecological system?

A. Our present involvement is in research. We, along with the Forest Service and Park Service, are participating in a joint State-Federal interagency project with the States of Wyoming, Idaho, and Montana. Each of the participants has contributed funds and personnel to support the research team. The team's program and budget is reviewed and approved by a steering committee made up of representatives from each of the six agencies.

The objective of the research is to determine the status of the grizzly bear population and the factors, including habitat, which affect the bears. Although some work was done last year, this is the first year of full operation for the full team and the steering committee. We have already obtained useful information, but we recognize that this is a long-term project. We are confident that the facts needed by both the Federal agencies and the three States to successfully manage these bears will be forthcoming.

NATIONAL ELK REFUGE INHOLDINGS

Q. What is the current status of the inholding problem facing the National Elk Refuge at Jackson? Has further consideration been given to the effort to purchase these lands from willing sellers?

A. The $200,000 programmed for National Elk Refuge in Fiscal Year 1976 will complete the repurchase from the Nature Conservancy. This will leave four lots totaling approximately 25 acres of the quarter section originally owned by Up with People unacquired. Negotiations for these remaining four lots will begin during Fiscal Year 1976 in hopes of funding from FY 1977 Land and Water Conservation Fund Appropriations. No action is planned to acquire the remainder of 400-acre ranch inholding unless there is a threat of further subdivision or adverse change of land use.

ALLOCATION OF ENERGY RESEARCH FUNDS IN WYOMING

Q. In your fiscal 1976 budget request you list $3,761,000 for continuing high priority projects related to energy extraction. Please supply a detailed account of your efforts in Wyoming to date, and of your planned efforts in that State during fiscal 1976 (amount to be spent, number of positions, etc.).

A. The fish and wildlife aspects of coal and oil shale development and western water allocation are high Service priorities in Wyoming and other States of the Northern Great Plains. The Service is planning to be involved with other Federal agencies in development of an Environmental Impact Statement for the proposed Coal Slurry Pipeline from Wyoming to Oklahoma, and in the analysis of proposed routes for an aqueduct from the Yellowstone River in Montana to Gilette, Wyoming. The timing of these studies as well as funding and positions has not been decided.

A study that deals with wildlife baseline information in coal bearing areas of northeastern Wyoming will be funded from FY 1975 at approximately $100,000 This study will begin on or about July 1, 1975. Also planned for Wyoming is an intensive analysis of accelerated in-situ oil shale development. These studies, involving Department of the Interior, ERDA and private industry will also begin in July 1975. Detailed study programs for this effort including fiscal support are being developed. Current plans call for a ten year effort.

Other intensive studies applicable to Wyoming energy development problems are planned for funding and implementation in FY 1976. These include baseline wildlife studies, minimum in-stream studies of rivers and streams, identification of unallocated waters, effects of oil shale extraction, and ecological effects of strip

mining and coal processing. However, these activities are still in the planning stage and determinations concerning funding and manpower to be allocated have not yet been made.

ALLOCATION OF ENERGY RESEARCH FUNDS IN WYOMING

Q. How will you coordinate your Energy R & D program with those of the states? Will any of the 60 positions requested for this program be for liaison purposes?

A. Coordination with the States and other Federal agencies is a very key part of our energy research and development program. We initiated such coordination in FY '75. We are meeting frequently with State agencies and officials concerning various study projects. We are active in such coordination groups as the North Great Plains Resource Program, for which the Fish and Wildlife Service is providing the staff director, and the Oil Shale and Geothermal Advisory Panels. Through these groups we will have an opportunity to exchange views concerning study needs.

State interest and activity in the energy research area is increasing sharply, and liaison with the States will continue to be an important part of our job. In FY '75, we established staff positions in our Regional Offices to be responsible for developing and coordinating Fish and Wildlife Service energy related activities. We are also establishing a Western Energy and Land Use Team at Ft. Collins, Colorado, to serve as a focus for our energy research and development programs. We plan to further strengthen our Regional staffs with some of the positions requested in FY '76. An important part of this new effort will be liaison with the States.

TRANSFER OF ANIMAL DAMAGE CONTROL TO STATES

Q. In your FY1976 Budget Justifications you mention that you have contacted the Western States in order to determine their interest in grant-in-aid programs to assume animal damage control responsibility. What response did you receive and how do you intend to develop a cooperative effort for damage control? What criteria have you established for state participation and funding through your agency?

A. We plan to transfer our operational resident wildlife damage control responsibilities to the States through grant-in-aid cooperative agreements. To date, no State has entered into such an agreement. However, the Service's Portland, Oregon, Regional Office and the Washington Department of Game have tentatively agreed on a draft grant-in-aid cooperative agreement. The draft agreement is currently under review in the Central Office.

The major difference between the Service's current cooperative animal damage control program and the proposed grant-in-aid cooperative animal damage control program is that a State agency rather than the Service would provide operational services to control damages caused by mammals.

For a State to participate in the grant-in-aid cooperative program, it would have to exclude any bounty system from the program and comply with Executive Order 11643 and other Federal laws and regulations. The Executive order prohibits, in Federal programs and on Federal lands, the use of toxicants to control predatory animal damages and the use of toxicants with secondary hazards to control non-predatory animal damages. The Executive order does provide for emergency use of toxicants.

Under the grant-in-aid proposal, funding would be on a 60–40 Federal-State basis, with a maximum of $300,000 in Federal funds per State.

POLICY FOR USE OF M–44

Q. What is the policy of the Service for the use of M–44 cyanide devices?

A. Service policy is to use the M–44 cyanide ejector device in accordance with EPA experimental use permit No. 6704–EXP–6G and emergency procedures provided by Executive Order 11643 for the protection of cattle, sheep and goats from coyote depradations when it has been determined that an emergency exists that cannot be resolved without the use of chemical toxicants. Briefly stated, an emergency is held to exist when there is an unusually high rate of predator loss to one or more growers equal to 2 percent or more of the affected livestock over a 7-day period. The emergency criteria may be satisfied when a 1 percent rate of

loss to coyotes occurs in rough, bushy terrain, or when projected losses would result in the destruction of 8 percent or omre over the entire growing season.

The scope of M–44 use under this policy is indicated by the February 1975 statisitcs when a total of 4,647 M–44's were used in 90 counties of 10 western States, and 307 coyotes were taken from 116 of the 339 ranches where they were used.

WYOMING SUIT TO REMOVE POISON BAN

Q. As you know, many western States, including Wyoming, have brought suit against the Federal Government for assistance in predator control and for removal of the ban against the use of chemical devices for predator control. What is the Service's position regarding litigation?

A. The Service remains firm in its support and implementation of Executive Order 11643. Our experience over the last three years has demonstrated that mechanical tools with proper manpower and funding are effective in reducing livestock losses in most situations. In those situations where these tools have not been effective, the Department of Interior working cooperatively with the Department of Health, Education, and Welfare, the Environmental Protection Agency, the Council on Environmental Quality, and the Department of Agriculture developed a procedure for identifying and approving the emergency use of the M–44 cyanide device to protect sheep and goats. This was later broadened to include cattle. Presently, the Service is preparing a petition for registration of the M–44 for use by governmental agencies to control canid depredations.

ANSWERS TO QUESTIONS BY SENATOR MAGNUSON

ISSUES ARISING FROM JUDGE BOLDT DECISION

Q. Does the FY 1976 Budget request any funds to build upon the $900,000 added by Congress to the FY 1975 Budget for increased salmon hatchery capacity in Washington State? When unbudgeted capabilities does the Service have in FY 1976 for increasing salmon and steelhead production in Washington State?

A. In our FY 1976 Budget Justifications, there are no additional construction funds for salmon rearing facilities in the State of Washington, as was added by Congress in FY 1975. Maximum salmon and steelhead production capability will be achieved in FY 1976 with available Fish and Wildlife Service funds. A change in fishery program emphasis in FY 1976, will increase anadromous production approximately 100,000 pounds.

Q. In view of Judge Boldt's decision in *U.S.* v. *Washington* re: Indian off-reservation fishing rights, what has been the progress in implementing the Judge Boldt decision, utilizing the increased funds provided in FY 1975?

A. Progress is listed below in relating to three categories:

(1) $900,000 for State-owned, State-operated hatcheries for the State of Washington:

A new salmon cultural complex at Garrison Springs near Tacoma, Washington, will be constructed on State-owned land with $457,000 of these funds. Additional construction on State-owned and operated fish cultural facilities is being planned with the remaining money.

(2) The Congress provided a supplemental $690,000 to the Fish and Wildlife Service budget in 1975. These funds will be allocated by contract to Washington Department of Game, to Northwest Indian Fisheries Commission, and to Universities to accomplish necessary tasks in implementing the decisions of *U.S.* v. *Washington*. At this time contracts have been signed with the Washington Department of Game providing necessary biological data on non-Indian steelhead harvest, spawning ground counts and spawning survival studies. The Fish and Wildlife Service is reviewing proposals for data collection and storage retrieval that will provide all managers with immediate summary on harvest figures; catch monitoring and immediate run size predictions; and stream reproduction capacities for adult escapement purposes. Also proposed is development of a run prediction model for long-range estimates of run sizes on which to base harvest regulations.

All funds will be obligated prior to the end of the fiscal year.

(3) $300,000 for the State of Washington, as a matching grant under P.L. 89–304 (as amended):

Grant-in-aid cooperative agreements between the U.S. Fish and Wildlife Service and the State of Washington have been approved to stock 600,000 additional steelhead, to develop a computerized system for estimating steelhead catches

on a daily basis, to monitor fishing at case area waters, and to develop a system for forecasting steelhead numbers in future runs.

All funds will be obligated prior to the end of the fiscal year.

Q. Describe activities, relating to Boldt decision, of the off-reservation treaty rights coordinator. With which Indian groups, State agencies, and Federal agencies is he coordinating? Is he preparing recommendations for additional specific steps to be taken by Federal agencies in FY 1976 on necessary fishery management studies and fish production? When will these recommendations be available to the Committee?

A. a. The Fish and Wildlife Service off-reservation treaty rights coordinator is responsible for insuring that this Service provides biological expertise in fish and wildlife management to Native Americans necessary to assure perpetuation of the resource, and establishing the Indian share of that resource as per the Court treaty interpretation.

b. The coordinator works with the following agencies:

State	Federal	Indian
Washington Department of Game	Bonneville Power Administration	Northwest Indian Fisheries Commission
Washington Department of Fisheries	Bureau of Indian Affairs	Case area tribes (Washington).
Oregon Fish Commission	National Marine Fisheries Service	Case area tribes (Oregon).
Oregon Game Commission	U.S. Fish and Wildlife Service	
Idaho Fish and Game Department	Department of Justice, Corps of Engineers.	

c. Working with the Court appointed fishery science and management expert, the coordinator is preparing an overall study plan necessary for terminal stream management. This plan will include specific recommendations for agencies best suited to carry out suggested work elements. These recommendations are expected to be completed by April 25, 1975.

Q. What efforts have been made to resolve conflicting views related to use of Federal funds by State agencies and Indian groups for fishery data collection in Washington State?

A. Indian representatives—Northwest Indian Fisheries Commission—have been invited to participate in contract negotiations with State agencies. The Indians' objection is not overlooked. We recognize the reasons behind it; however, as the Boldt decision essentially makes State regulatory agencies and Indians co-managers of the resource it is necessary that this mistrust and suspicion be eliminated. With initial Fish and Wildlife Service monitoring of each contract reliability of data should be assured and hopefully a different level of communication established. It is our hope and intent that trained Indian fishery experts eventually will replace the Fish and Wildlife Service biologist presently assigned. At that time, it will be necessary for the resource to be managed on a shared basis—it is neither practical nor economically wise for each to conduct a complete study—this means sharing of data collection and trust in the other's capability.

Q. What decisions have been reached?

A. Initial expenditure decisions are:

To fund a cooperative agreement with Washington Department of Game to collect harvest statistics (sport and commercial) conduct spawning ground counts, and steelhead population monitoring;

To fund University of Washington for a 3-year run prediction model on which to base harvest regulations;

To fund Oregon State University for a one-year run prediction model for Columbia Salmon Runs;

To fund expenses of Court appointed fishery expert;

To fund Fish and Wildlife Service studies in case area streams that include testing of anadromous fish runs in terminal streams, evaluation of hatchery vs. wild production, assistance to case area tribes lacking fishery expertise and coordination of tribal catch monitoring and recording.

Q. What issues remain unresolved?

A. The basic issue of mutual trust between the various agencies involved. Time, manpower and funds will resolve the fisheries questions but to right wrongs com-

mitted, or to bridge between cultures will take considerably longer. They will not be resolved if respect is not earned.

Q. What is Fish and Wildlife Service position on Washington Department of Game request of $713,900 for steelhead management to comply with and implement the Boldt decision?

A. a. It is difficult to determine at this time the basis for Washington's request of $713,900. We have an agreement with them to fund management studies that seem to meet all points in their February 27, 1975 request for Federal funds with exception of the item on Steelhead propagation. It is necessary that more detail be made available before we can reach a reasonable decision on this matter.

Q. What relationship does this request have to your FY 1976 budget requests?

A. There is no relationship between the two requests.

Q. Where and to what extent will your budget request permit you to honor the State Game Department's request for $713,000?

A. Our FY 1976 budget request contains a $163,000 item to be used in funding a cooperative agreement with the Washington Department of Game. This agreement includes objectives that are: (1) to provide regular and timely estimates of the steelhead sports harvest on the Skagit, Quileute, Green and Nisqually Rivers, (2) to expand and enhance the current program for handling commercial steelhead harvest data, and develop a commercial steelhead harvest monitoring system, (3) to examine possible parameters which would increase ability to make run size prediction, and (4) to initiate a tagging program to evaluate effects of hatchery production an steelhead harvest, spawning, recruitment and overall run stability.

If these funds ($163,000) are included in the Washington request of $713,900, we will be able to honor to that extent only.

Q. Will the scheduled April hearings on other aspects of the Boldt decision have any impact on required funding?

A. The April hearings will deal with marine fish species and shell fishes. These are under National Marine Fisheries Service jurisdiction and this Service is in no position to predict what impact will result. If any of these responsibilities fall on the Fish and Wildlife Service we would require additional funding and position ceilings to obtain necessary professionl expertise.

Q. What effects are there in other areas of the country where similar Indian treaty rights exist?

A. Indian tribes in the States of Oregon and California interpret Judge Boldt's decision to apply to their asserted rights. This involves highly technical negotiations between the States and the tribes wherein the tribes will need the assistance of competent fishery biologists to advise them.

The Fish and Wildlife Service has provided initial biological expertise to the Yurok Indians in their suit against California, and are providing pre-trial information to the Department of Justice in *U.S.* vs. *Michigan* for the Bay Mills tribe. Increasing Fish and Wildlife Service involvement is expected in Michigan.

To date, Fish and Wildlife Service involvement has not required additional funds; however, any more involvement will necessitate additional funding.

MAKAH NATIONAL FISH HATCHERY

Q. What is the status of the proposed Makah Fish Hatchery on the Makah Reservation in Washington?

A. Bids will be open April 2, 1975, for Phase A & B construction, access road to the site (0.9 miles), and clearing, grading, and drainage of the hatchery area site. The estimated cost of this work is $855,000 and construction time is estimated to take 17 months due to weather conditions at the site.

An Architect-Engineer contract for the complete design of the hatchery facility was awarded to Kramer, Chin, and Mayo, Inc., Seattle, Washington, on June 10, 1974, in the amount of $319,000. As of March 24, 1975, the construction drawings and specifications are 80 percent complete and will be ready for bids in late summer 1975. The complete package, estimated in February, 1975, to cost $7,025,500, could be obligated in the fourth quarter Fiscal Year 1976 if total funding was available, with a three month delay in contract start.

The minimum amounts required per year to construct the facility if total funding is not available beginning with FY 1976:

Fiscal year	Amount	Remarks
1976	$2,700,000	For buildings, utilities, fire protection.
1977	3,100,000	For raceways, holding ponds, hatchery building equipment, feed storage, rearing water conditioning.
1978	1,700,000	For barrier dam, fish ladder, sedimentation pond, pollution control pond, paving, and landscaping.
Total	7,500,000	

Q. Are funds for that hatchery requested in the Fiscal Year 1976 Budget?
A. No, since construction of the next phase cannot be undertaken in FY 1976.

MAKAH HATCHERY, ANNUAL PRODUCTION AND ESTIMATE OF BENEFITS

Q. What would be the annual fish production of the Makah hatchery?
A. Each year approximately 4,000,000 fall chinook, 1,200,000 coho, and 5,250,000 chum salmon; 400,000 steelhead trout, and 20,000 rainbow trout will be reared and released into Olympic peninsula rivers. Total annual fish production is expected to reach 200,000 pounds.
Q. What would be the annual dollar value of fish production; economic benefits accuring to the Makahs; benefits accuring to others?
A. See following table.

PROJECTED ANNUAL BENEFITS [1]—MAKAH NATIONAL FISH HATCHERY

	Number of fish	Fisherman days	Value of catch
Economic benefits to Makahs	91,583	22,983	$791,062
Economic benefits to others	28,352	7,841	382,498
Total	119,935	30,824	1,173,560

[1] The total of all values for chinook, coho, chum salmon, steelhead and rainbow trout.

BOWDEN FISH HATCHERY

Senator BYRD (presiding). A few more questions on your construction program, Mr. Greenwalt. I have received correspondence indicating that highway construction in West Virginia has caused certain damages to the water supplies which feed Bowden Fish Hatchery and that if this construction continues it could potentially destroy the remaining spring which provides water for the hatchery. I would appreciate your reviewing this letter to me, and the attachments and providing me with your comments on the issues raised therein.

[The information follows:]

Hon. ROBERT BYRD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BYRD: This is in response to your request for a reply to the letter of your constituent Michael Frome concerning the Shavers Fork of the Cheat River.

We have been concerned about the water quality of Shavers Pork ever since Bowden Hatchery was built, and more so relative to the highway construction. Shavers Fork is marginal quality as far as a hatchery water supply is concerned and any environmental disturbances in the watershed can make it submarginal and unusable. In addition to Shavers Fork, there are two excellent springs (North and South Springs) that supply quality water to the hatchery.

These springs also buffer the river water at times of low pH, preventing loss of fish when Shavers Fork water is used in the hatchery.

Last week highway construction exposed a sizeable cavern in the recharge area of South Spring. The incident caused excessive turbidity and the water could not be used for fish production. As far as we know, this is the first positive incident that directly relates to the construction project to impairment of South Spring. Several other incidents resulting in fish losses have been indirectly associated with the construction, but could not be conclusively proven. South Spring has had a history of becoming turbid, especially after rains occurred in the watershed.

The highway department attempted to install a seal over the cavern opening on March 26 as recommended by our engineers, but a bulldozer caved in another section of the cavern, almost losing the equipment and operator. All construction has stopped and the highway department has contracted a speological team to map as much of the cavern system as possible before considering further construction.

The present highway work will continue to be a threat and disturbance to our South Spring water supply. It is not a threat to the North Spring water supply which is our main source. However, if construction proceeds beyond the junction of Route 33 at Bowden, West Virginia, then there is a dangerous threat to the North Spring and possibly the survival of Bowden Hatchery.

Right now we are in a difficult position; the present segment of Corridor H between Elkins and Bowden, West Virginia, cannot just stop because it will be an environmental sore and constant problems for Bowden Hatchery and Shavers Fork. Construction should be completed up to the junction of Highway 33 at Bowden; however, no further construction should be completed beyond this point until an environmental impact statement is completed for the entire route from beginning to end. Also, a complete geophysical survey (detailed hydrological/geological study) should be made of the North Spring recharge before continuation of construction beyond Route 33 at Bowden is considered.

Corridor H is a highly controversial project, and the present route that is being taken is considered by conservationists as one of the poorest choices from an environmental standpoint. From the engineering standpoint, it also has problems since it will pass through some of the roughest terrain in West Virginia. An alternate route to Corridor H has been proposed that is favored by conservationist groups. This route goes north from Elkins, West Virginia, up Leading Creek to Parsons then to Davis and Thomas and on east to the Virginia border.

Apparently, other overriding factors are influencing the present routing of this project, of which we are not fully aware. These should become evident with the completion of the environmental impact statement.

When the environmental impact statement is prepared by the highway department for this project, the Fish and Wildlife Service will make a thorough evaluation with comments and recommended alternatives. He will work closely with the West Virginia Department of Natural Resources, the highway department, and conservation organizations to resolve problems wherever possible.

Considering the history and adverse circumstances that surround this project, we can expect additional problems and public reactions that will require constant attention of the Service. We will provide this to the best of our available resources.

Sincerely yours,

LYNN A. GREENWALT, *Director.*

MICHAEL FROME,
Alexandria, Va., March 25, 1975.

Hon. ROBERT BYRD,
U.S. Senate, Washington, D.C.

DEAR SENATOR BYRD: On yesterday I received in the mail my regular copy of the magazine *Wonderful West Virginia*, published by the Department of Natural Resources. I enjoy it very much, as I do the marvelous natural attractions of West Virginia.

As I leafed through the magazine I came to a full-page photograph of a beautiful mountain scene bearing the following caption: "The legendary Shavers Fork of Cheat River has for generations been regarded as the State's finest trout stream." A zerox of this page is attached herewith.

Shavers Fork is known far and wide. This is why outdoors enthusiasts beyond the boundaries of your state are supporting the efforts of West Virginia sports-

men to protect Shavers Fork from a variety of environmental threats, notably at this time Corridor H highway construction.

I have at hand a letter of March 13 from Lynn Greenwalt, Director of the Fish and Wildlife Service, an agency of the Interior Department, to Bob Burrell, an official of the West Virginia Highlands Conservancy, who resides at Morgantown. Mr. Greenwalt and others of his bureau have dragged their feet in protecting the federal investment at the Bowden Hatchery from the impacts of environmental degradation on Shavers Fork. These public officials have been singularly unresponsive to the concerns of private citizens. Mr. Greenwalt in his letter terms Shavers Fork as "a marginal trout stream at best."

He could be right and know more about the quality of the stream than your State's Department of Natural Resources and a substantial number of citizens. But I doubt it. Even so, does a federal official need to heap insult upon injury? I hope you will investigate the agency's actions in this entire affair, and urge you to do so.

Sincerely,

MICHAEL FROME.

Senator ROBERT C. BYRD. Mr. Greenwalt, there are three fish hatcheries in West Virginia. What are the development needs for these stations?

Mr. GREENWALT. They are considerable. I will submit the details for the record.

[The information follows:]

Development needs for West Virginia hatcheries

	Amount
Bowden, W. Va.:	
Well exploration and development including pipelines, pump	$110,000
Cover south spring	20,000
Enlarge metal storage building	25,000
Disinfection building with weighing, loading and fish transport system	91,000
Total	246,000
Leetown, W. Va.:	
Replace main and individual supply lines	60,000
Regrade 13 ponds, installing concrete trenches	102,000
Install new kettles (ponds G–I, H–I, H–11, H–12)	25,000
Install steps in 13 ponds	16,000
Dredge reservoir B	68,000
Modification and improvement to water reconditioning system	60,000
Total	331,000
White Sulphur Springs, W. Va.:	
New well exploration and development	25,000
Install water reuse lines from ponds B1 and B2 to lower raceway	6,000
Disinfection building	50,000
Storage building	15,000
Fencing	10,000
Rehab. large warm water ponds suitable for salmonid rearing, including holding house	139,000
Rehab. retaining wall Wade Creek, and cover open ditches	52,000
Total	297,000
Grand total	874,000

What additional appropriations are required to adequately fund operating and maintenance costs at these stations?

Maintenance and equipment needs for West Virginia hatcheries

	Amount
Bowden, W. Va.:	
Equipment:	
Distribution truck, 1½ ton	$6,000
Snow plow	1,500
Aerators	2,500
Cushman truckster	2,500
Automatic fish feeders	2,500
Office equipment (typewriter and copier)	1,000
Total	16,000
Maintenance:	
Reroof buildings (5)	4,000
Aquaria and stands	2,000
Hatchery water supply valves	2,000
Replace intake screen	1,000
Replace water heaters (3 residences)	1,000
Total	10,000
Leetown, W. Va.:	
Equipment:	
Distribution truck, 1½ ton	6,000
Distribution tank	15,000
Mower (riding)	1,500
Computer/calculator	4,500
Total	27,000
Maintenance:	
Rework heating systems (2 residences)	2,500
Rehabilitate interior of quarters No. 113	3,000
Reroof 3 buildings	3,000
Total	8,500
White Sulphur Springs:	
Equipment:	
Trout eggs incubators	5,000
Aerators	1,000
Raceway racks	2,500
Oxygen monitoring equipment	1,000
Distribution tank	2,500
Total	12,000
Maintenance:	
Replace pipe to pond F	2,500
Replace flume with AC pipe	5,000
Replace heating systems (2)	5,000
Replace refrigerators (2)	800
Total	13,300
Grand total—Maintenance and equipment	86,800

Senator ROBERT C. BYRD. Were these requests included in the job opportunity program?

Mr. GREENWALT. Yes.

LEETOWN LABORATORY

Senator ROBERT C. BYRD. In fiscal year 1974, $300,000 was appropriated for planning the National Fishery Research Health Laboratory at Leetown. When will the architectural and engineering plans be ready?

Mr. GREENWALT. For site preparation, parking, waterlines, by July 1975. The total plans will be ready August 1, 1975.

Senator ROBERT C. BYRD. When could construction begin?

Mr. GREENWALT. Outside work could begin in July. Actual building could commence by January 1, 1976.

Senator ROBERT C. BYRD. On the Leetown laboratory request, the amount in this 1976 budget has been included in the emergency employment appropriation for fiscal year 1975. If that bill is enacted, what construction funding would you need for followup in 1976?

Mr. GREENWALT. We would be able to use $3.5 million. This amount will enable us to complete construction of the laboratory.

Senator ROBERT C. BYRD. In closing, Mr. Greenwalt, I want to emphasize my strong support for your programs in West Virginia.

SUBCOMMITTEE RECESS

The subcommittee will be in recess subject to the call of the Chair.

[Whereupon, at 5:18 p.m., Thursday, March 20, the subcommittee was recessed, to reconvene at the call of the Chair.]

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1976

THURSDAY, MARCH 20, 1975

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

The subcommittee met at 3 p.m., in room 1114, Everett McKinley Dirksen Office Building, Hon. Ted Stevens presiding.

Present: Senator Stevens.

DEPARTMENT OF THE INTERIOR

ADMINISTRATION OF TERRITORIES

GUAM

STATEMENT OF FLOYD W. FAGG, GOVERNMENT COMPTROLLER, TTPI, GUAM

ACCOMPANIED BY:
GERALD S. A. PEREZ, DIRECTOR OF BUDGET AND MANAGEMENT, OFFICE OF THE GOVERNOR OF GUAM
JOSE CEPEDA, ACTING DIRECTOR, GUAM ECONOMIC DEVELOPMENT AUTHORITY

TERRITORIES REQUEST CONTINUED

Senator STEVENS. We will call the hearing to order.

We will continue the territorial requests this afternoon with the Administration of Territories budget. We heard from the Acting Director of Territorial Affairs yesterday, and there is no need for a further summary of the overall budget.

We recognize the special problems that are confronting American Samoa because of the recent drought, and the severe adjustments that have resulted. The committee will certainly cooperate in handling last minute adjustments that have been received.

BUDGET ESTIMATES

I intend to hear primarily from people out of town, those from the territories, because those of you who are from the administration can return when the time is more available to us which may well be next week.

COMPTROLLER FOR GUAM AND TRUST TERRITORY

Let's go right to the administration of territories budget request covering American Samoa and the comptrollers for Guam and the Virgin Islands. The new budget authority totals $15 million, up $550,000 from 1975. The justifications have been included in the record (part 1, pp. 839–1012).

We will hear first from the Government comptroller for Guam and the trust territory.

PREPARED STATEMENT

If I may, let me ask you some questions and we will try to proceed. I hope you understand what the time problem is with regard to our activities here this afternoon. We will include your prepared statement in the record.

[The statement follows:]

Mr. Chairman:

I am Floyd W. Fagg, the first Government Comptroller for both Guam and the Trust Territory. I am pleased to have the opportunity to discuss our programs with you.

Introduction

In consonance with the provisions of the revised Organic Act of Guam and Public Law 93-111, the chief responsibilities of the Comptroller with respect to both Guam and the Trust Territory are (1) to submit to the Governor or High Commissioner, as appropriate, and the Secretary of the Interior, an annual report of the fiscal condition of the Governments of Guam and the Trust Territory (2) to direct the audit activities to improve the economy and efficiency of the programs of the two governments, and (3) to make such reports as may be required by the Governor or High Commissioner, as appropriate, or as is required by the Comptroller General of the United States or the Secretary of the Interior.

Accomplishments of the Comptroller's Office - GUAM

Since the inception of the Comptroller's Office on Guam, July 19, 1969, in consonance with the provisions of the revised Organic Act, this office has prepared six annual reports, i.e., for the fiscal years ended June 30, 1969; June 30, 1970, June 30, 1971; June 30, 1972; June 30, 1973, and June 30, 1974. The Secretary of the Interior submits copies of these reports to the President of the Senate and the Speaker of the House. Since the inception of the Comptroller's Office, this office has prepared 113 other managerial and special type reports. These reports have contained over 1,300 recommendations.

In our opinion, the Government of Guam is currently realizing savings or additional income in the amount of over $4,500,000 annually as a result of the implementation of our recommendations. It is the opinion of the Comptroller that additional annual savings or additional potential income in the amount of over $14,000,000 can be realized by the implementation of all of our recommendations.

Request for Funds - GUAM

The fiscal year 1975 budget of the Government Comptroller is $625,000 which is new authority. We are requesting $600,000 for FY 76; the $25,000 decrease is due to full utilization of funds for the Trust Territory.

Nineteen spaces are allocated for the Government Comptroller's operations for Guam for FY 75. No additional spaces are requested for FY 76.

With funds available for FY 75 and FY 76, the Comptroller expects to continue his plan to place the Government of Guam entities substantially on a two-year audit cycle, essentially completing the second management-type audit on these entities by the end of FY 76.

In addition this office expects to remain current with respect to the Guam annual fiscal audit and audit reports, special audits as requested by

authorized officials, as well as periodic follow-ups on previous audit recommendations. In our opinion, the accomplishment of these objectives will provide the Government of Guam with adequate audit coverage.

Accomplishments of the Comptroller's Office - TRUST TERRITORY

Since the release of funds for the Comptroller for Trust Territory operations in the Spring of Calendar Year 1973, the first annual audit and annual report have been completed on the Trust Territory Government.

Because the Trust Territory Government has never had a complete financial audit, our account analyses and adjustments went back, in some cases, to the inception of the accounts. Statements of the several Trust Funds have been prepared by the Government on a cash basis and were presented by us on an accural basis when possible. No previous financial statements had ever been prepared in the General Fund.

In addition, this office has completed two special reports and has initiated a managerial type audit on one of the departments.

Request for Funds - TRUST TERRITORY

We have not yet had sufficient experience in the Trust Territory to have a firm estimate of the workload. We are requesting $225,000 for FY 76 which will enable us to use our six audit space ceiling. No new spaces are requested for fiscal year 1976.

RESPONSIBILITIES OF COMPTROLLER

Senator STEVENS. Now, your budget involves a reduction, as I understand it. Can you tell the committee what role you play in the oversight of the trust territory's public works programs that we discussed to some extent with Commissioner Johnston.

Mr. FAGG. We have the managerial responsibility of auditing the managing type responsibility, of auditing all of the programs in the Department in the trust territory. We also have the responsibility of preparing an annual report on the trust territory. We also have the responsibility of answering and preparing reports to the Secretary of the Interior and the General Accounting Office.

Senator STEVENS. Did you reply to the Senate Interior Committee's staff report?

Mr. FAGG. No; I have not.

Senator STEVENS. Have you made any comments on that staff report to anyone in writing?

Mr. FAGG. No, sir. I have not.

Senator STEVENS. Were you in any way involved in the management of the construction projects which were the subject of that staff report?

Mr. FAGG. No, sir.

TTPI PUBLIC WORKS PROGRAM

Senator STEVENS. Have you looked into the problems of the management of the public works projects yourself?

Mr. FAGG. I have not, although we have undertaken just recently an audit of the public works department, a managerial type audit, in which we expect, to investigate allegations or statements that have been made by the Jackson committee.

Senator STEVENS. We have your statement. As I understand it, there is an overall reduction. Do you have any further comments to make concerning the portion of the budget that you supervise, Mr. Fagg?

Mr. FAGG. No, sir. I do not. I believe my statement is self-explanatory.

GUAM ECONOMIC DEVELOPMENT FUND

Senator STEVENS. Thank you very much. We will proceed. We have a statement here from Mr. Perez, the office of the Governor. Are you also accompanied by the representative of the Guam economic development fund?

Mr. PEREZ. Yes. We have Mr. Jose Cepeda this afternoon.

PREPARED STATEMENT

Senator STEVENS. Do you have a statement?

Mr. CEPEDA. No, sir.

Senator STEVENS. If I may, let me put your statement in the record, Mr. Perez, at this point. We have also received a statement from Antonio B. Won Pat, the territorial delegate from Guam. His statement will also be included in the record.

[The statements follow:]

STATEMENT OF GERALD S.A. PEREZ
DIRECTOR OF BUDGET & MANAGEMENT

Mr. Chairman:

I am Gerald S. A. Perez, Director of the Bureau of Budget and Management Research. I am here to make a statement on behalf of Guam's request for an appropriation of $1.0 million from the Guam Development Fund.

The Act: In 1968 the U. S. Congress enacted Public Law 90-601, known as the Guam Development Fund Act, 1968. The Act authorized an appropriation of $5.0 million to the Secretary of the Interior to be paid to the Government of Guam. The purpose of the Act was to provide capital to private business to promote economic development in the Territory of Guam.

Program to Date: In compliance with the terms of this Act, the Government of Guam designated the Guam Economic Development Authority (GEDA) as the agency to administer the economic development program. GEDA then submitted a plan to the Secretary of the Interior setting forth policies and procedures which would be followed for the disbursement of the loan funds. A formula was agreed upon whereby 15% of the funds would be allocated to agricultural activities; 15% to fishing; 10% to tourism, and the remaining 60% to back-up industrial/commercial facilities.

To-date, a total of $2.0 million out of the $5.0 million authorized has been appropriated to Guam for disbursement covering fiscal years 1973, 1974, and 1975. One million dollars was appropriated for fiscal year 1973, $500,000 for fiscal year 1974, and another $500,000 for fiscal year 1975.

As of March 1975, GEDA has disbursed a total of $1,675,859 and has committed another $457,437. Applications for loans are also pending in the amount of $2,279,470.

Current Request for Funds Of the one million dollars requested for fiscal year 1976, the sum of $150,000 is requested for agricultural activities; $150,000 for fishing and related facilities; and $100,000 for tourism; and $600,000 for commercial/industrial back-up facilities.

History of Loan Fund Program: The records show that the Guam Development Fund program got off to a very slow start. There are reasons for this.

At the time the Guam Development Fund was established in 1968, and during the preceding years, business on Guam had been severely hampered by a lack of available capital for economic expansion. Money was extremely difficult to obtain, while at the same time Guam's potentials for development were obvious in the areas of agriculture, fishing, tourism and light industry. What Guam needed and did not have in the 1960's was local investment capital.

Although Public Law 90-601 was enacted in 1968, the initial one million dollars of the $5.0 million authorized was not appropriated for Guam's use until fiscal year 1973. By that time Guam's economy was already in a state of rapid expansion. Capital and jobs were then available in both the public and private sectors. Financial institutions increased in number from 12 (including two banks) in 1968 to 17 (including 6 banks) in 1973. During this period, the need for capital to develop the economy was fairly well satisfied by the sudden influx of millions of dollars from alien investors, federal agencies, and U. S. domestic sources.

In this five-year period the number of alien investors conducting business on Guam increased from ten to 305. The number of U. S. companies increased from 145 to 539, and the number of Guamanian companies also increased from 296 to 950. In terms of U. S. dollars, alien investment increased from

$582,000 in 1967 to $49.5 million in 1973. In the same period U. S. investment increased from $31.0 million to $128.4 million. Guamanian investment increased from $28.9 million to $197.3 million.

During this period of rapid economic growth on Guam, few people applied to GEDA for loans from Development Fund. In fact, only eight loans were contracted during the period July 1972 through November 1974, totaling $773,296, and only $505,494 was actually disbursed. We consider that to be a poor record for the program.

We concluded that either the program was unnecessary and unwanted, or that its policies were not responsive to Guam's needs and should be reevaluated and redirected.

After consultation with the Secretary of the Interior it was agreed that the formula allocating loan funds was too rigid and restrictive, and that it should be more flexible. The Secretary has now agreed that GEDA may take 50% of the funds for the back-up industrial/commercial category and apply them to the other three categories if applications for loans in those areas warranted it, but in any event may reallocate additional sums to these three categories, leaving a minimum residual balance of 10%.

Guam's Present Economy: Radical changes, however, have now taken place in Guam's economy. The island has been hit with an economic recession and with uncontrollable inflation. Capital on Guam is no longer available for would-be investors.

Guam's population has actually suffered a decline from around 108,349 in 1973 to an estimated 105,641 in 1974, and it is anticipated that it will further decline in 1975 in contrast to the 6% per year growth experienced previous years. Between 1973 and 1975 the military and dependent sector of the population declined from 29,000 in 1973 to 22,590 in June 1974. The number of aliens entering Guam as investors and business entrepreneurs also declined from approximately 2,800 in 1973, to 1,105 in 1974.

Total employment on Guam has also declined for the first time in many years from 39,960 in 1973 to 36,950 as of September 1974. Further declines are anticipated in both the public and private sectors of the economy as the economic recession continues, and as U. S. involvement in the Western Pacific declines. There have also been many lay-offs in Guam's major industry, the construction industry, and in numerous other small businesses which have either folded up and left the island, or declared bankruptcy.

Gross receipts have shown a leveling off since fiscal year 1973. Gross receipts in the construction industry increased by only 12.6% last fiscal year, as compared to a 29.9% increase the previous year. Gross receipts in the wholesale area actually decreased by 28.5%, and surface cargo to Guam decreased by 2.8%, in contrast to previous years' major increases. Money on Guam is now difficult to obtain in the face of the present economic slump.

Concurrent with Guam's economic recession, applications for loans from GEDA's Development Fund have suddenly poured in, and for the first time there are indications that the program does in fact respond to a definite need. Since November 1974, GEDA has contracted an additional five loans in the amount of 712,906, and has made commitments amounting to $657,000, bringing total disbursements and commitments combined to $2,143,212. Thus the entire $2.0 million appropriated to date from the Fund has been fully disbursed or committed. Moreover, pending applications as of March 1975, number 14, requesting the loan of an additional $2.3 million.

Six of the pending applications are for agricultural pursuits. The recent amendment of U. S. Department of Labor policies permitting Guam to import temporary alien farmers, plus the very high cost of importing food into Guam, plus threats of world food shortages, have provided Guam with sufficient

motivation to develop her own agriculture. One of Governor Bordallo's priority programs for Guam is the development of local agriculture to reduce the high volume of imports, and to reduce food prices. Fishing is also now a major priority with the current Administration, for the same reasons.

It is thus clear that Guam today is in need of the Development Funds authorized by Public Law 90-601, and that it can disburse at least an additional one million dollars during the next few months.

Current economic conditions indeed suggest that fiscal year 1976 is perhaps the appropriate time for Guam to invest the remaining $3.0 million authorized for economic development. A somewhat pessimistic outlook exists for the economy during the next two years during which time the value of the U. S. dollar is expected to decrease; unemployment and underemployment will present a serious problem; and with the decline on Guam of military activities, there will be an urgent need to broaden the base of Guam's limited economy so that it is not so continuously and directly dependent on federal financial assistance.

Guam looks forward to the time when her economy is sufficiently balanced and competitive that such a program as that authorized by Public Law 90-601 will no longer be necessary. GEDA feels that an investment of the Development Funds today into the civilian economy will do much to achieve that goal by tomorrow.

Finally, we suggest that Guam's request for development funds should not be evaluated by the type of criteria normally utilized to evaluate States' requests for funds -- or even requests by other U. S. Territories in the Pacific -- for the reason that Guam's history and economic development to date is unique and incomparable (see attached background history in the Appendix to this Statement).

APPENDIX TO STATEMENT

Background History of Guam

Guam's private economy can be considered to have existed only since 1968. During the liberation of Guam from the Japanese in the Second World War, Guam's private and public facilities were totally demolished. Prior to the war, Guam had been administered by the U. S. Navy as a military reservation. Guam had few contacts with the outside world and the island inhabitants subsisted by fishing and farming, as they had done for centuries.

Following Guam's liberation, the island once again became a Navel reservation, and the U. S. Navy imposed Naval Security Regulations which prohibited free commerce with the outside world.

Although Navy officials estimated in 1946 that it would take over $23 million to reconstruct Guam's public facilities, only $6 million was in fact appropriated. Thus very little capital was made available to the people of Guam to rebuild the island's public infrastructure, or their own private homes and businesses. Almost 90% of Guam's workers were employed by the Naval Government since no other economic resources then existed. Businesses and farms had been totally destroyed, and farm lands had been condemned for military use.

Even though Guam was granted civil government in 1950, Guam's chronic lack of capital and isolation from commercial contact with the outside world continued until the mid 1960's. In June 1962, President Kennedy abolished the Naval Security Regulations, and for the first time since 1898 Guam was free to conduct commerce with the outside world. In November 1962, however, Typhoon Karen destroyed or damaged over 90% of the island's physical facilities.

The $45 million authorized Guam in 1963 by the U. S. Congress for Rehabilitation purposes was the first time Guam received capital from the Federal Government to construct permanent facilities for her infrastructure and public facilities.

By 1968 the Government of Guam had constructed modern Commercial Port and a modern Air Terminal, and by 1968 it could be said that Guam was, for the first time since the beginning of the century, ready for business. The $45 million rehabilitation funds, however, were exhausted before Guam's facilities were completed, and the U. S. Congress appropriated additional funds bringing the total Rehabilitation funds up to $75 million.

With the construction of a modern Air Terminal, air routes were opened in 1967 between Guam and Japan, and Guam's tourist industry was born. Like the waters of a dam cascading over a broken dike, Guam's economy suddenly boomed. Between 1968 and 1973 investment capital flowed into Guam's young economy, and alien migration into Guam of migrants, investors and laborers swelled Guam's population. Demands on government services and facilities, however, rapidly outstripped the Government of Guam's revenues.

The Government of Guam lacked the legal authority or wherewithal to control the rate of the growth of the economy. It is estimated that up to 500 federal statutes govern Guam covering such matters as trade treaties, air routes, immigration and naturalization, labor, ocean transportation, communications, banking, etc. Thus neither the rate nor the direction of Guam's sudden growth was under local control, and soon after Guam's private economy was born in 1968, demands on government facilities and services surpassed the government's resources.

Such was the burden of rapid economic and social expansion on the Government of Guam that incoming revenues - although they increased annually - were sufficient only to support expanded government operations. Government revenues were not sufficient to finance expansion of the island's infrastructure.

At the present time, with the exhaustion of the Rehabilitation Act funds, Guam is financially stranded. Although Guam is eligible for numerous federal grant-in-aid programs, she is presently unable to raise the required matching funds. Additionally, Guam is prohibited from seeking capital from foreign or international agencies (i.e., ESCAP, the Asian Development Bank, the World Bank, etc.).

At the present time Guam's economy is in a state of recession. In theory this should be a convenient time for the Government of Guam to enjoy some relief from demands for infrastructure expansion. In fact, however, the Government of Guam must now take aggressive steps to ensure that the private sector of the economy continues to expand. With the decrease of U. S. military involvement in the Far East, military forces on Guam have decreased in number, and employment by federal agencies has decreased. Guam is now faced with the task of reducing her heavy dependence on the military for income and employment, and must make efforts to expand the base of the private sector of the economy. On the other hand, Guam is at the same time faced with diminishing annual revenues which are already insufficient to finance government services, let alone capital improvements.

In summary, it can be said that whereas most western communities have developed their industry and commerce over a period of a century or so, Guam has had to accommodate herself to the demands of modern commerce and industry in the span of less than a decade. Whereas among most western communities the burden of raising capital for economic development has been shared by several successive generations, the contemporary generation of Guamanians finds itself overburdened not only with an intolerably high cost of living, but with the problem of financing such improvements as water, sewer, power, highway, and telephone systems - all new to Guam - within a compressed period of time.

The Government of Guam today is faced with dwindling revenues, high costs, insufficient funds to maintain government services at previous levels, and no funds at all for capital improvements.

STATEMENT OF ANTONIO B. WON PAT

Mr. Chairman and members of the Subcommittee:

I appreciate this opportunity to voice my support of the $1 million request by the Government of Guam for the Guam Economic Development program.

The funds we are asking for today are needed to help the people of Guam continue our Island's development. When I testified before Congress in 1968 to have the Guam Development Fund authorized, I specifically noted that Guam was then in desperate straits, partly because of the lack of sufficient development capital. Unfortunately, nothing has really changed that economic outlook in the intervening years. Money is still hard to come by and without the funds which Congress so generously made available under PL 90-601, the picture would have been all the bleaker.

Due to a number of factors, only $2 million of the total $5 million authorized under PL 90-601 has been appropriated by Congress so far. Of this amount, the Guam Economic Development Authority has disbursed a total of $1.675 million, with another $2.2 million in loan applications pending.

Of the funds expended so far, I am convinced that the GEDA officials have utilized this money to the optimum effectiveness for Guam and have kept faith with our compact with the Congress. As you will hear from the other two witnesses from Guam in a moment, out latest request will follow the pattern set so far of assisting local individuals to establish themselves in businesses which would be productive to the community at large.

In today's tight money market, Guam has few avenues of assistance open other than the funds we now seek. It is a simple economic fact of life that Guam's great distance from the U.S. mainland keeps us from the mainstream of whatever funds

are commercially available here. To complicate matters, many investors are reluctant to come to Guam unless the Island shows more development. Thus, we are caught on the horns of a dilemma: unless we develop, we cannot obtain funds; and unless we obtain assistance, we cannot develop.

Thankfully, the funds which this Subcommittee has previously made available to GEDA has contributed to the growth of Guam and will continue to do so should this Subcommittee agree to our request for $1 million.

Capitalism is the cornerstone of our Nation's success. The vision of economic success based on personal initiative brought millions of immigrants to the United States. On Guam, the potential for profit continues to draw others to our tiny Island. While we welcome their coming, their expertise and desire to succeed, we are equally concerned that the opportunity for success be shared with our own people. The people of Guam are accepting this challenge and, thanks to loans from the Guam Economic Development Fund, Island residents can compete with outside econonic influences and master the intricacies of the great American capitalistic system.
This promises untold rewards to those who are willing to work and to dedicate themselves to their own betterment. I firmly believe that Guam's future success will largely depend on the ability of our own people to take charge of all aspects of their environment, including the economy. In this way, we can be assured of maintaining a reasonable balance of economic power on the Island and secure the future for the American citizens of Guam.

Thank you.

STATUS OF FUND

Senator STEVENS. We will consider the request of $1 million for the Guam Economic Development Fund. We reduced that fund last year to $500,000, as I recall. What problems did that create for you?

Mr. PEREZ. At the present time, right now there is some $2.3 million in pending loan applications.

Senator STEVENS. There are $2.3 million in applications?

Mr. PEREZ. $2.3 million, that is right.

Senator STEVENS. What is the balance in the fund?

Mr. PEREZ. The funds have been disbursed, the funds have been exhausted. They have been fully disbursed or committed.

Senator STEVENS. With regard to the authorization, what is the amount that would be authorized for appropriation this year?

Mr. PEREZ. A million dollars is being requested this year of the total authorized appropriation, $5 million.

CHANGE IN ALLOCATIONS

Senator STEVENS. I am informed you made a change in your budget justification regarding the allocation for the fund. Could you explain that to us? Has there been a last minute change here?

Mr. PEREZ. Under the original submission, I believe the categories presented were agriculture, fishing, and tourism. The fourth category that was added is the industrial-commercial backup facility with a total of $600,000.

The revised figure would be now agriculture, $150,000; fishing and related facilities, $150,000; tourism, $100,000; and industrial-commercial backup facilities, $600,000.

Senator STEVENS. What causes the severe reduction in the agricultural functions, the meat and poultry and other agricultural functions?

Mr. PEREZ. This is based on the allocation of 15 percent for agriculture; 15 percent for fisheries; 10 percent for tourism; and the balance for backup facilities. All we did was reapply the formula originally conceived for this program, and added on the commercial-industrial backup facilities which was not included in the original submission.

Now, the $600,000 in the backup facilities portion of that can be allocated to any of these three other categories, should the demands arise.

Senator STEVENS. You say the original percentage applications. Who made the determination?

Mr. PEREZ. This was based on the original plan submitted to the Interior Department. It was the Guam Economic Development Act and the portion was 15, 15, 10, and 60 respectively.

GUIDELINES

Senator STEVENS. What guidelines are there on the 60 percent and the $600,000; what guidelines are there in this last category?

Mr. PEREZ. I have Mr. Cepeda who is the acting director for the Guam Economic Development Fund. He will answer that, sir.

Mr. CEPEDA. There is no specific guideline as far as the commercial-industrial backup facility. The plan that was approved by Interior back in 1969 allocated 50 percent of the total appropriated amount for agriculture; 15 percent for fishing; 10 percent for tourism; and 60 percent for commercial-industrial backup facilities.

Now, this is just an allocation determined by Guam with the approval of Interior, so thereby the total appropriation under this fund will not be allocated or exhausted under one basic industry such as fishing. We are allocating this to assure that there is money allocated for the four categories.

Senator STEVENS. Is it our understanding, if there are applications that exceed $150,000 you would use the industrial-commercial account to take care of it?

Mr. CEPEDA. Yes, sir.

Senator STEVENS. Was that contemplated by that plan?

Mr. CEPEDA. Yes. It was approved by Interior back in December of 1973.

PRIORITIES

Senator STEVENS. Would you mind giving us a statement of that fund, what has been approved to date and how the applications have been approved and how they fit into this in terms of the percentages that were contemplated?

[The statement follows:]

GUAM DEVELOPMENT FUND ACT

PENDING LOANS

APPLICANTS	STATUS	AMOUNT
Agriculture		
1. BW Company, Inc. Swine Production	land lease	$ 110,000
2. Felix P. Quan Swine Production	land lease, required documents	107,470
3. Pithree Farms Swine Productions	required documents	100,000
4. Peter R. Nelson Swine Production	Reviewing	120,000
5. Dionicio T. Diaz Cash Crop	Reviewing	20,000
6. Melanie Cash Crop	Reviewing	67,000
Commercial/Industrial		
1. Maria Iglesias Ceramic Products	required documents	30,000
2. Antonio Mafnas Ceramic Products	required documents	30,000
3. Agat Boat Shop Boat Building	Board Review	450,000
4. Ahn's Enterprise Kim Chee Factory	Board Review	125,000
5. Air Guam, Inc. Air Transportation	lacking documents	500,000
Fishing		
1. Frank Paulino Fish & Shrimp Pond	Lacking Documents	100,000
2. Pacific Fisheries, Inc. Deep Sea Fishing	lacking documents	20,000
Tourism		
1. Three Kings, Inc. Tourist Facilities	Final Reviewing	500,000
	Total----------	$2,279,470

GUAM DEVELOPMENT FUND ACT

LOAN NO.	APPLICANT	AMOUNT	DATE APPROVED	AMOUNT DISBURSED
01	Flores Poultry Egg Production	$ 120,000	5/11/73	$ 120,000.00
02	Jose Quintanilla Cash Crop	50,000	11/30/73	-0-
04	Drew Kaye Cash Crop	20,000	7/13/73	5,948.00
05	C & H Farm Poultry Processing	142,696	5/10/73	113,468.67
06	Charles C. Hambly Tourist Facilities	15,000	6/21/73	10,170.00
10	Brooking Whitehouse Cash Crop	50,600	2/22/74	31,336.54
11	Dasyn International Computer Assembly	250,000	5/16/74	250,000.00
12	Air Pacific International Air Transportation	300,000	11/22/74	186,847.64
17	C & H Farms Egg Production	125,000	10/22/74	88,582.98
18	C.C.B. Enterprise Cash Crop	50,000	11/29/74	7,038.50
22	Pacific Plastics Synthetic Marble Production	20,000	1/24/75	9,242.62
29	Medical Center of the Marianas Hospital	500,000	12/24/74	435,500.00
30	Perez Bros., Inc. Cement Quarry	500,000	1/ 3/75	417,724.05
	TOTAL	$2,143,296		$1,675,859.00

GUAM DEVELOPMENT FUND ACT

FY	CATEGORY		LOAN AMOUNT	AMOUNT DISBURSED	BALANCE UNDISBURSED
1973			$ 277,696.00	$ 243,638.67	$ 34,057.33
	A. Agriculture				
	Egg Production	$120,000.00		120,000.00	-0-
	B. Commercial/Industrial				
	Poultry Processing	142,696.00		113,468.67	29,227.33
	C. Tourism				
	Tourist Facilities	15,000.00		10,170.00	4,830.00
1974			370,600.00	287,284.54	83,315.46
	A. Agriculture				
	Cash Crop	120,600.00		37,284.54	83,315.46
	B. Commercial/Industrial	~~250,000.00~~		~~250,000.00~~	-0-
	Computer Assembly	250,000.00		250,000.00	-0-
1975			1,495,000.00	1,144,935.79	350,064.21
	A. Agriculture				
	1) Cash Crop	50,000.00		7,038.50	79,378.52
	2) Egg Production	125,000.00		88,582.98	79,378.52
	B. Commercial/Industrial				
	1) Air Transportation	300,000.00		186,847.64	
	2) Synthetic Marble Production	20,000.00		9,242.62	
	3) Hospital Facilities	500,000.00		435,500.00	
	4) Cement Quarry	500,000.00		417,724.05	270,685.69
				$1,675,859.00	$ 467,437.00
			$ 2,143,296.00		
			TOTAL ---------	$1,675,859.00	$ 467,437.00

LOAN EMPHASIS

Senator STEVENS. We are not prepared to argue with you about the priorities that are set by Guam, but it does seem it is an abrupt change in terms of agriculture as compared to prior requests.

Mr. PEREZ. The original emphasis was to stimulate agriculture and industry. But the actual pending loans are largely comprised of commercial-industrial backup facilities. We have over a million dollars pending in this category as opposed to, for example, agriculture.

Senator STEVENS. How many pending applications do you have there?

Mr. PEREZ. In agriculture, six pending applications totaling about $524,470. The change reflects some consistency in the trend of the applicants coming in with the demand for the funds.

Senator STEVENS. They are not grants, are they?

Mr. PEREZ. No, sir, they are loans.

REPAYMENTS

Senator STEVENS. What is the repayment? Can you include that in your statement, too?

Mr. PEREZ. Yes, we can include that. Repayment has been good considering the economic conditions facing people in Guam. I believe only one loan is over 90 days in arrears.

Senator STEVENS. That is fine. We appreciate that very much. Do you have anything to add about the Guam situation as a representative of the Governor?

Mr. PEREZ. No. I have nothing to add.

Senator STEVENS. When I return, we will go on to the Virgin Islands and American Samoa.

Excuse me, that is another vote.

[Recess taken.]

Virgin Islands

STATEMENT OF JAMES A. DEFENBACH, COMPTROLLER, VIRGIN ISLANDS

ACCOMPANIED BY MR. HEIMER

PREPARED STATEMENT

Senator Stevens [resuming]. Are you gentlemen ready with the Virgin Islands request? The budget estimate is $975,000, which is $100,000 over the 1975 program.

I understand you are the new comptroller of the Virgin Islands, Mr. Defenbach.

Mr. Defenbach. Yes, Mr. Chairman. Since January.

Senator Stevens. We are happy to see you here. If you don't object, we will print your statement in full in the record here.

[The statement follows:]

51-957 O - 75 - pt. 3 - 28

Mr. Chairman:

It is indeed a pleasure to appear for the first time before this Committee.

Under Section 17 of the Organic Act as amended the Comptroller is charged with auditing revenues and expenditures so as to improve the economy and efficiency of the Government of the Virgin Islands. It is also the duty of the Government Comptroller to bring to the attention of the Secretary of the Interior and the Governor of the Virgin Islands all failures to collect amounts due the government and expenditures of funds or uses of property which are irregular or not pursuant to law. These audits are made in accordance with auditing standards established by the Comptroller General of the United States.

Twenty audit reports were issued during FY 1974 and eight reports in either draft or final form during FY 1975 to date. This decrease in reports issued was due to a new policy adopted during FY 1974 requiring comprehensive audits of entire agencies. Thus a significant increase in audit time was required to generate final reports. While I agree with the comprehensive approach, we will have to limit these types of audits to selected functions in an agency as is done by many State audit offices. The audit findings will be more current and useful and report volume greater under this approach.

During FY 1975 several changes have occurred which have had an impact on Comptroller operations. The composition of the territorial legislature has changed and a new Governor has been elected and this has resulted in the appointment and confirmation of new Commissioners in some departments. I have been Comptroller since January of this year.

Through FY 1974 measurable benefits to the Government of the Virgin Islands resulting from the efforts of the Comptroller's Office have exceeded $19 million of which over $16 million was previously reported to this Committee. This figure is comprised of $11.8 million previously reported from U.S. taxes collected on Virgin Islands alcoholic beverage shipment underpaid by the U.S. Treasury, and $7.2 million of which $4.4 million was previously reported, recovered as the result of inquiries and exceptions issued by the Comptroller. These inquiries and exceptions involved overpayments and duplicate payments made to creditors. Other benefits difficult to measure have accured to the Virgin Islands government as the result of Comptroller activities. Among these were the adoption of new procedures to increase efficiency and avoid cost increases which may otherwise have occurred.

In January 1975 the Comptroller's Office conducted a joint audit with the Department of Finance to determine additional matching funds due the territorial government for Fiscal Years 1963 through 1965. An additional claim of $1.5 million has been submitted to the U.S. Bureau of Customs. As the result of reviews completed and currently in progress, the Government Comptroller since July 1973 has issued a total of 446 Inquiries and Exceptions and Notices of Failure to Collect amounting to nearly $4.6 million.

As reported by the Virgin Islands, revenues of the Government totalled $261.8 million in FY 1974 compared to $167.9 million for FY 1973. Standard government operating and capital expenditures increased from $204.2 million to $244.6 million.

As of June 30, 1974, a $7.8 million general fund deficit was avoided by transfers from the matching fund in the Interest Revenue fund. The general fund balance on June 30, 1974, showed $3.9 million. U.S. Government financial assistance during FY 1974, including the income tax which is retained, amounted to $218.8 million or 84% of operating revenue.

The total audit work load of the Comptroller's Office is estimated to be 20,131 man days, or 92 man years. This work load requires an estimated 30 auditors to audit government operations on a three year cycle. We are presently authorized the total of 30 personnel, including 36 auditors, four systems accountants, and an administrative staff of five in addition to the Comptroller. We have deferred any requests for additional personnel until existing vacancies are filled. Six auditor positions and three systems accountants positions are now vacant but efforts are now being made to fill them. In line with our decision to expand the St. Croix operation, three of these positions will be assigned to that area.

Our audit reports in systems analysis continue to disclose serious deficiencies in territorial government operations. Competent systems analysis and audit assistance must continue to be provided the Government of the Virgin Islands to correct these deficiencies. One example of a serious problem area is found in outstanding accounts receivable for hospital and medical charges. During FY 1974 these receivables increased $2.1 million from $7.8 million to $9.9 million. The number of accounts increased by 40,778 to a total of 341,842. However, new data processing initiatives stimulated by the Comptroller's Office should reduce these figures in the future.

A second problem area relates to late or duplicate payments to vendors. We are currently reviewing this area with the objective of developing new systems and procedures which if adopted by the government, will substantially correct this problem.

I do wish to inform this Committee that improvements in three important areas have been noted by our office:

1. We understand that at the close of FY 1974 the territorial government has for the first time in many years, made progress in reconciling its active bank accounts with general ledger cash balances.

2. Improvement in cash management has resulted in increasing interest revenues from $3.2 million in FY 1973 to $5.7 million in FY 1974.

3. There has been a marked improvement in our relations with the Territorial department of Finance in such matters as coordination of audits and availability of records and reports.

We will continue our effort to establish rapport with the newly elected Governor and other territorial officials to insure that our mission is accomplished as effectively as possible.

That concludes my formal statement Mr. Chairman.

PROBLEM OF RECEIVABLES

Senator STEVENS. If you have any highlight statement on any problems that you might have discovered since you have been there that are more apparent than others we would like to hear that.

Mr. DEFENBACH. There are a number of problems in operation of the local government, as I am sure the committee has been aware of for some time.

I think one of the more significant problems that continues to exist is the problem of receivables which now exceed $30 million on the books of local government, going back to the 1940's. Many of them are uncollectible. We have attempted in the past to get them to write these bad debts off the books and it has not to this date been done. We hope it will be done in the future.

IMPLEMENTATION OF RECOMMENDATIONS

I think the brightest thing on the horizon is the fact that with a new comptroller and a new Governor whom we have already met, and I hope we have established a degree of rapport that will continue—and I might add we received word this morning that the Governor has held a press conference in Charlotte Amalie and said he would, in view of their fiscal position, consider and implement comptroller recommendations where he could do so. That is a very encouraging sign.

RECRUITMENT

Senator STEVENS. That is very good. Are the nine positions mentioned in your statement still vacant?

Mr. DEFENBACH. Yes. Recruitment continues to be a problem. We are trying to recruit locally at the college of the Virgin Islands. Hopefully, we will be able to fill most of these positions by the end of the fiscal year.

OTHER PROBLEMS

Senator STEVENS. What other recommendations have you made to the Governor besides the receivables?

Mr. DEFENBACH. I think part of the problem in the past, Mr. Chairman, has been the reluctance at the departmental level to implement comptroller recommendations.

Senator STEVENS. You mean departmental-Virgin Islands or departmental-Washington?

Mr. DEFENBACH. Departmental-local, sir. I had a meeting with the Governor just prior to coming down here. We agreed to change the procedure, which I think is very significant. Normally the Governor has 30 days to answer one of the audit reports. I have agreed to meet with the Governor in 15 days to go over these recommendations, to go over the findings, why we make the recommendations we do. He was very receptive to this idea. Hopefully, we will see some of these recommendations implemented that previously have not been.

We also agreed orally, or I agreed, to send him some recommendations made in the past which have not been implemented so he

could take a look at them and consider the feasibility of putting them into effect.

Senator STEVENS. Do you have a policy of recommendation of functions of future activities?

Mr. DEFENBACH. We try to avoid policy areas. But we do have a management assistance capability, a limited capability, where we assist the local government in this regard. But insofar as future policies are concerned, we attempt to avoid that area if possible.

REFINERY ACTIVITIES

Senator STEVENS. I had a personal conversation the other night that indicated to me the refinery complex in the Virgin Islands may be becoming marginal due to the changes in the world price structure for oil and the possibility of superports on the offshore of the mainland. Is that within the scope of your activities, to predict what would happen if there was a reduction in force?

Mr. DEFENBACH. No, it is not really within our jurisdiction.

Senator STEVENS. We thank you very much. Is there anyone else with you from the Virgin Islands with regard to the request before us?

Mr. DEFENBACH. I have Mr. Heimer, my deputy with me. But he has no statement.

Senator STEVENS. We thank you very much for appearing. I have been acquainted with a succession of your predecessors since 1956, so I am sure you have a tough job. We will look forward to seeing you on an annual basis.

American Samoa

STATEMENT OF GOVERNOR EARL B. RUTH, GOVERNOR OF AMERICAN SAMOA

ACCOMPANIED BY:
AUMOEOLOGO SALANOA, PRESIDENT, AMERICAN SOMOA SENATE
TE'O FUAUAI, SPEAKER, AMERICAN SAMOA HOUSE OF REPRESENTATIVES
MEL WHITE, BUDGET OFFICER, AMERICAN SAMOA

BUDGET REQUEST

Senator Stevens. We will go directly now to American Samoa. We have a request here for American Samoa that totals $14 million, and that is up about $50,000 from appropriations to date for fiscal year 1975.

PREPARED STATEMENT AND REVISED JUSTIFICATIONS

I am informed the committee received revised budget estimates necessitated by an unanticipated reduction in local revenues. We will include those revisions in the record at this point. The original submission has already been printed in part one of the hearing record (p. 852). I am further told the revisions are not complete. Some of the original narrative and budget details will not agree with the new figures. I hope you will be able to clarify this problem for the committee.

Governor, we welcome you. With your consent, we will print your biographical sketch in the record at this point, and your statement.

[The statements and revised justifications follow:]

Biographical Data—Earl B. Ruth

Appointed as Governor of American Samoa by Secretary of the Interior Rogers C. B. Morton on January 28, 1975.

Served in the U.S. Congress from North Carolina's Eighth District (1968–74).

Served three terms on Salisbury City Council and was Mayor pro-tem from June 1967 to November 1968.

Holds Ph.D.; has taught in high school and at the college level.

Served in U.S. Navy during World War II.

Married to the former Jane Wiley of Charlotte, North Carolina. They have three daughters and one son.

Statement of Earl Ruth, Governor of American Samoa

Mr. Chairman: Although this is a hearing on the FY 76 budget request we cannot proceed without bringing the Committee up to date on events of the past year.

The government of American Samoa now faces a budget deficit of more than 6 million dollars in FY '75. This turn of events occurred because of several factors, not the least of which was the severe drought which necessitated the shutdown of both our canneries, the largest single source of tax revenue to American

Samoa. The Territory was declared a national disaster area by the President. Secondly, a 26 percent jump in freight costs along with the great inflation spiral made the original revenue projections invalid.

In September of 1974, when we submitted our budget estimates to the Department of the Interior, we were anticipating approximately 16 million dollars of local revenue during FY '76. We now estimate less than 11 million dollars. We are requesting grant-in-aid assistance from the U.S. Congress of 14 million dollars, or 50,000 dollars more than appropriated in FY '75. In addition, we now anticipate receiving approximately 7.7 million dollars in grants from other federal agencies, thus we now project a total financing level in FY '76 of approximately 32.7 million dollars. This level compares with the previous level of 39.1 million dollars anticipated at the time our budget estimates were first developed.

We had considered requesting additional federal assistance for FY '75. We have not done so. In light of the present crucial problems the United States is now facing, we felt that we could not at this time ask the U.S. Congress for any additional funds to alleviate our local financing shortfall. Instead, by drastically cutting back operating programs and capital improvements originally planned for FY '75, we are attempting to live within our overall reduced funding level. We cannot, however, rule out the possibility that we may be requesting a supplemental appropriation should our remedial action fall short of the mark in 1976.

We have had to cut back our basic operating programs by almost 4 million dollars, or approximately 16 percent. This has been extremely difficult to accomplish considering that the government of American Samoa is the principal or sole provider for the Territory of public education, health services, police and fire protection, and other basic public services.

In addition, capital improvement projects originally scheduled for FY '76 have been slashed by approximately 2.3 million dollars, or nearly one-third. This reduction also includes losses of almost 14 million dollars in federal grant funds from the Environmental Protection Agency, U.S. Army Corps of Engineers, and the Bureau of Outdoor Recreation for sewer development, seawall construction, and recreational facilities development. We will lose this assistance simply because we will have no local revenues available to provide our required matching shares for these prorams. What limited capital improvement we can perform for FY '76 will mainly be for completing FY '75 and prior year's programs which were curtailed or deferred due to this year's critical financial problems. Emphasis will be on further water development and distribution, roads construction, and the resurfacing of our airport runway which is in critical need of repair at this time.

In FY '76, we are again requesting direct congressional appropriations to finance the Governor's office and the judiciary branch of the government. As in FY '75, grant funds are requested for basic operations only. Department of the Interior grant-in-aid funds are requested for education, health services, legal affairs, and administration. All capital improvement financing will be borne by local appropriations and other federal grants, as was the case in FY '75.

We are requesting 3,800,000 dollars for the transition period, 1 July–30 September 1976. We have developed this estimate on the basis that programs to be conducted during this period will essentially be a continuation of planned FY '76 programs, and will remain at the proposed FY '76 levels, considering all sources of funding. As in fiscal years 1975 and 1976, we are requesting Department of the Interior budget authority only for basic operations during the transition period.

In closing, Mr. Chairman, I would like to express the appreciation of myself, members of my staff, the President of the Senate, and the Speaker of our House for the opportunity to appear before your committee. Needless to say, we sincerely welcome you to personally visit with us in American Samoa whenever your schedule might permit. Mister Chairman, this concludes my formal statement.

Thank you.

GOVERNMENT OF AMERICAN SAMOA

HIGHLIGHT STATEMENT

Fiscal Year 1976

Description of the Territory

The territory of American Samoa consists of a group of seven islands located 2,300 miles southwest of Hawaii and 1,600 miles northeast of New Zealand. Total land area of the seven islands is 76 square miles. A current population of 29,000 live in the American Samoa Territory with approximately 25,000 occupying the main island of Tutuila. Approximately 96 percent of land is communally owned, and land use and property are principally controlled by the matais who administer Samoan aiga (extended family units).

Government of Authority and Responsibility

The role and responsibilities of the United States in the American Samoan territory are prescribed in the Treaty Agreement of 1900 between the United States, Great Britain, and Germany. This treaty was accompanied by a series of deeds of cession negotiated between the United States and the chiefs of the seven islands. The treaty allowed the United States to establish a naval base at Pago Pago harbor. The treaty also obligated the United States to promote the economic, political, health, and educational development of American Samoa and to do so without interfering with the customs of the Samoan people. This responsibility was carried out by the United States Navy until 1951, at which time administration of the territory was transferred to the Department of the Interior by Executive Order No. 10264.

Plans and Policies

The principal operating policy of the Government of American Samoa is to develop the territory, leading to self-sufficiency and to attain this with minimum disturbance of the traditional Samoan cultural values.

The range of programs and services provided by the Government of American Samoa is very broad. These include the executive, legislative, and judicial functions of self-government. In addition, the typical governmental services of police and fire protection, public education, roads, water, sewer, parkland development and maintenance are provided. To date, the territory is still insufficiently developed to have enabled private interests to offer other public services. Thus, the Government of American Samoa remains the principal provider in the territory of medical services, news services, marine resource development, employment assistance, tourism development, port services, local airport and industrial park development. It is the plan of this Government to transition as many of these latter categories of activities to private providers as rapidly as they can be assumed by responsible sources.

Organizational Changes

During the latter part of FY 1974, based on a study by the management consultant firm of Cresap, McCormick, and Paget, the Department of Administrative Services was reorganized into three separate entities as follows:

(1) Department of Financial Management
(2) Office of Material Management
(3) Office of Planning & Systems

Revised March 17, 1975

In addition, the Office of the Territorial Registrar was removed from the Department of Administrative Services and sub-divided with the Territorial Registrar function being transferred to the Department of Legal Affairs, and the Vital Statistics Branch to the Department of Medical Services.

The purpose of the reorganization was to improve the general administrative services provided by the government, particularly to improve present systems and procedures for the recording and reporting of financial information to the Governor, Executive staff members, and GAS managers. It was felt that these objectives could best be accomplished by reorganizing the present functions of the Department of Administrative Services into three more manageable entities, by establishing needed functions such as grant administration, systems design and analysis, and financial analysis, and by developing a new general accounting system. Local funds were appropriated in fiscal years 1974 and 1975 to effect the reorganization, staff the new functions, and provide the majority of the financing required for the design and implementation of a new accounting system, and the training of local staff to maintain this system. In FY 1976, Department of Interior grant-in-aid funds are requested to finance operations of the three new organizations and the remainder of the costs associated with the new accounting system effort.

In late FY 1974, local legislation established a Board of Higher Education with responsibility for the direction and supervision of all activities of the Community College including vocational education programs conducted at the Tafuna Skills Center. In prior years, these activities were administered by the Department of Education, jointly financed by Department of Interior budget authority and local appropriations. In FY 1976, Department of Interior grant-in-aid funds are again requested for these programs, but as a separate organizational entity.

Fiscal Year 1975 Funding Reductions

It is currently estimated that total available local funding in FY 1975 will be approximately $9.2 million less than previously anticipated as recently as late August 1974. Two factors are responsible for this shortfall.

First, the FY 1975 budget was intended to be partially financed by carry-over FY 1974 excess revenues of $3,132,000. However, of this amount, approximately $2.4 million was discovered to represent anticipated FY 1975 corporate tax revenues which were incorrectly accrued and recorded as FY 1974 actual revenue. The FY 1974 revenue figures have been adjusted; however, appropriations for FY 1975 were based upon these funds being available.

Second, total revenues from corporate and individual income taxes in FY 1975 are now estimated at approximately $6.8 million less than originally estimated and budgeted. In past years, the two local canneries (Star-Kist and Van Camp) have contributed a major portion of total corporate taxes. Prior to FY 1975, both canneries had expanded their production capacity and the size of their fishing fleets, and were optimistic about the future. It was felt that FY 1975 would be a "banner" year, not only for the canneries, but for the local economy in general. However, the opposite situation has materialized. In early FY 1975, American Samoa suffered its worst drought on record. Due to the lack of water, operations of both canneries were completely shut down from early September to the middle of November. Even prior to the actual shutdown, both canneries were operating at less than full capacity due to water rationing. In addition, in August one of the canneries (Star-Kist) suffered a costly fire. In effect, earnings of both canneries are down considerably from prior estimates, resulting in major losses of corporate tax revenues for the GAS. In addition, earnings (and taxes paid) of other local businesses are now anticipated to be less due to inflationary cost increases on goods purchased for resale, increased freight rates, and an overall reduction in real consumer

buying power, resulting in reduced sales of non-essential goods and services.

Beginning in October 1974, cutbacks in both operating and capital improvement programs were initiated. To date, FY 1975 operating programs have been reduced by approximately $3.6 million, or 15%, from previously budgeted levels. Capital improvement programs totaling almost $7 million have been deferred, including losses of over $1.6 million in other Federal grants due to the lack of available local match funds. Included within these deferrals were local appropriations of $2.5 million for a 15,000 KW peaking generator for the Tafuna power plant, $1.2 million for badly needed improvements for the territorial water system, and $800,000 for the local share of a U.S. Army Corps of Engineers program totaling $1.8 million to develop a small boat harbor in Tau (Manua Islands).

In order to cut back FY 1975 programs to the required levels, severe reductions of personnel were necessary. Approximately 500 government employees have been either furloughed or terminated within the last few weeks. In addition, many government personnel have been reduced to a 32 hour work week in order to fully effect the necessary cost savings. Although attempts were made to reduce programs in areas which would have the least impact on basic public services, this was not completely successful. Unfortunately, the quality of many government services will be seriously impaired for the remainder of the fiscal year.

Fiscal Year 1976 Program

The FY 1976 request for Department of the Interior budget authority is $14,000,000 an increase of $50,000 over FY 1975. In September of 1974, when the budget estimates were submitted to the Department of the Interior, local revenues for FY 1976 were estimated at $16,305,000. These estimates have since been reduced to $10,949,000. In addition, grant awards from other Federal agencies of $7,725,000 are now anticipated. Therefore, the present total budget estimate for the Government of American Samoa for FY 1976, including all sources of funding, is $32,674,000, or $503,000 more than the current estimates for FY 1975. This level compares with the previous level for FY 1976 of $39,078,000 anticipated at the time the budget estimates were first developed.

In attempting to live within the overall reduced funding level for FY 1976, basic operating programs have been cut back by almost $4 million, or approximately 16%. In addition, capital improvement programs originally scheduled for FY 1976 have been reduced by approximately $2.3 million, or nearly one-third. This reduction also includes losses of almost $1.4 million in Federal grant funds from the Environmental Protection Agency, U.S. Army Corps of Engineers, and the Bureau of Outdoor Recreation for sewer development, seawall construction, and recreational facilities development. This assistance will be lost simply because sufficient local revenues will not be available to provide the required local matching shares for these programs. Present capital improvement plans for FY 1976 will consist primarily of completing FY 1975 and prior year programs which were curtailed or deferred due to the critical financial problems experienced during the current year. In FY 1976, emphasis will be on further water and electrical power development and distribution, roads construction, and the resurfacing of the airport runway which is in critical need of repair at this time.

Direct Congressional Appropriations are again requested to finance the Governor's Office and the Judiciary Branch of the GAS. As in FY 1975, Department of Interior budget authority is requested for basic operations

Revised March 17, 1975

only. Department of Interior grant-in-aid funds are requested for education, health services, legal affairs, and administration. All capital improvement financing, with the exception of other Federal grants, will be borne by local appropriations in FY 1976, as was the case in FY 1975. It is believed that a financing policy such as this will generate more local involvement in the decision-making processes concerned with the identification of capital improvement needs and the establishment of priorities. In addition, reprogramming of funds is simplified in the event capital improvement needs change or priorities are revised.

Detailed cost estimates for presently planned FY 1976 operating programs have not yet been fully revised. During the past several months, it has been necessary to direct maximum efforts towards drastically reducing FY 1975 programs in line with the current level of estimated local revenues for this fiscal year. Operating programs to be conducted during FY 1976 will generally be a continuation of those programs performed during FY 1975, but at overall sharply reduced levels of funding as compared to previous financing plans.

FY 1976 REVISED FINANCING PLAN
As of 5 March 1975
(Thousands of dollars)

Funding Sources	As of Sept. '74	As of March '75	Net Reduction
DOI Budget Authority	14,000	14,000	--
Local Revenue Estimates	15,993	10,949	(5,044)
Total Available Funding	29,993	24,949	(5,044)
Uses			
Operations	25,189	21,268	(3,921)
Capital Improvements	4,104	3,133 1/	(971)
Special Programs	130	50 2/	(80)
Grant Match Fund (Operations)	570	498	(72)
Total Uses	29,993	24,949	(5,044)

1/ Includes local match funds of $782,000 for Federal grant (other than DOI grant-in-aid) capital improvement programs.

2/ Claims and Damages Fund.

Note: The above figures do not include anticipated other Federal grant funds of $7,725,000.

Revised March 17, 1975

GOVERNMENT OF AMERICAN SAMOA
TOTAL BUDGET
SUMMARY BY SOURCE OF FUNDS

Basic FY Appropriations	Approved FY 1974	Approved FY 1975	Proposed FY 1976
Direct Congressional Appropriations	556,000	647,000	719,000
Department of Interior grant-in-Aid	13,444,000	13,303,000	13,281,000
Basic Local Appropriations	11,377,000 1/	17,779,000 2/	10,949,000 3/
Total Basic Appropriations	25,377,000	31,729,000	24,949,000
Local Appropriations - Excess Revenues:			
FY 1972 Excess Revenues PL 12-57	15,000	N.A.	N.A.
FY 1973 Excess Revenues PL 13-18	1,237,000	N.A.	N.A.
FY 1973 Excess Revenues PL 13-21	47,000	N.A.	N.A.
FY 1973 Excess Revenues PL 13-27	100,000	N.A.	N.A.
FY 1972 Excess Revenues PL 13-36	24,000 4/	N.A.	N.A.
FY 1973 Excess Revenues PL 13-36	1,680,000 5/	N.A.	N.A.
FY 1974 Excess Revenues PL 13-36	132,000	N.A.	N.A.
FY 1972 Excess Revenues PL 13-44	201,000 6/	N.A.	N.A.
FY 1973 Excess Revenues PL 13-44	70,000 7/	N.A.	N.A.
FY 1974 Excess Revenues PL 13-44	1,812,000 8/	N.A.	N.A.
FY 1975 Excess Revenues PL 13-52	N.A.	991,000	N.A.
FY 1972 Excess Revenues PL 13-53	N.A.	1,008,000	N.A.
FY 1975 Excess Revenues PL 13-53	N.A.	666,000	N.A.
Total Appropriated Funds	30,695,000	34,394,000	24,949,000
Less: Deferrals & Reductions	N.A.	(9,217,000) 9/	N.A.
Total Net Appropriations	30,695,000	25,177,000	24,949,000
Federal Grants			
Received and Anticipated	6,981,000	6,994,000	7,725,000
Total Appropriations and Grants	37,676,000	32,171,000	32,674,000

1/ Appropriated by Public Law 12-68
2/ Appropriated by Public Law 13-48
3/ Appropriating legislation not yet enacted
4/ Reprogrammed from appropriations (PL 12-57) for FY 1973
5/ Includes reprogrammed funds of $374,000 previously appropriated as part of basic local budget for FY 1973
6/ Includes reprogrammed funds of $64,000 previously appropriated (PL 12-57) for use in FY 1973
7/ Reprogrammed from appropriations (PL 13-21) for FY 1973
8/ Includes reprogrammed funds of $58,000 previously appropriated (PL 13-18 & 13-36) for use in FY 1974
9/ Deferrals of local appropriations based upon revised FY 1975 local revenue estimates and adjustment of FY 1974 actual local revenues

Revised March 17, 1975

GOVERNMENT OF AMERICAN SAMOA
PROGRAM DISTRIBUTION SUMMARY 1/

Direct Appropriations	Approved FY 1974	Approved FY 1975	Proposed FY 1976	Over (+) or Under (-) FY 1975	Sources of FY 1976 Funds: Interior Budget Authority	Sources of FY 1976 Funds: Local Revenue Approp.
Governor's Office	366,000	392,000	392,000	-0-	392,000	-0-
Judiciary	314,000	357,000	327,000	- 30,000	327,000	-0-
Total Direct Appropriations	680,000	749,000	719,000	- 30,000	719,000	-0-
Interior Grant-in-Aid						
1. Education & Culture						
Dept. of Education	6,860,000	5,835,000	6,341,000	+506,000	6,300,000	41,000
Board of Higher Education	-0-	667,000	784,000	+117,000	766,000	18,000
Museum	30,000	22,000	23,000	+ 1,000	-0-	23,000
	6,890,000	6,524,000	7,148,000	+624,000	7,066,000	82,000
2. Health Services						
Dept. of Medical Services	3,430,000	3,472,000	3,828,000	+356,000	3,800,000	28,000
3. Economic Development						
Dept. of Agriculture	628,000	552,000	520,000	- 32,000	-0-	520,000
Development Planning Office	11,000	-0-	-0-	-0-	-0-	-0-
Office of Tourism	74,000	63,000	69,000	+ 6,000	-0-	69,000
Office of Marine Resources	91,000	112,000	-0-	-112,000	-0-	-0-
	804,000	727,000	589,000	-138,000	-0-	589,000
4. Trans., Comm., & Power						
Dept. of Port Administration	883,000	221,000	242,000	+ 21,000	-0-	242,000
Marine Railway	53,000	-0-	-0-	-0-	-0-	-0-
Communications Office	23,000	-0-	-0-	-0-	-0-	-0-
Electric Utility	29,000	-0-	-0-	-0-	-0-	-0-

Revised March 17, 1975

GOVERNMENT OF AMERICAN SAMOA
PROGRAM DISTRIBUTION SUMMARY 1/

	Approved FY 1974	Approved FY 1975	Proposed FY 1976	Over (+) or Under (-) FY 1975	Sources of FY 1976 Funds: Interior Budget Authority	Sources of FY 1976 Funds: Local Revenue Approp.
4. Trans., Comm., & Power (Cont'd.)						
Water Transportation	-0-	13,000	-0-	-0-	-0-	-0-
	998,000	234,000	242,000	+ 8,000	-0-	242,000
5. General Government						
Local Judicial	60,000	60,000	68,000	+ 8,000	-0-	68,000
Legislature	758,000	689,000	685,000	- 4,000	-0-	685,000
Dept. of Administrative Services	1,943,000 2/	-0-	-0-	-0-	-0-	-0-
Dept. of Financial Management	-0-	1,298,000 3/	957,000	-341,000	940,000	17,000
Office of Material Management	-0-	579,000	517,000	- 62,000	500,000	17,000
Office of Planning & Systems	-0-	484,000	626,000	+142,000	610,000	16,000
Dept. of Manpower Resources	331,000	390,000	428,000	+ 38,000	-0-	428,000
Public Defender's Office	42,000	56,000	62,000	+ 6,000	-0-	62,000
Dept. of Public Works	3,036,000 4/	2,942,000	3,345,000	+403,000	-0-	3,345,000
Dept. of Legal Affairs	294,000	332,000	365,000	+ 33,000	365,000	-0-
Local Government	226,000	365,000	367,000	+ 2,000	-0-	367,000
Audit Office	78,000	75,000	83,000	+ 8,000	-0-	83,000
Office of Samoan Information	145,000	139,000	120,000	- 19,000	-0-	120,000
	6,913,000	7,409,000	7,623,000	+214,000	2,415,000	5,208,000
6. Public Safety						
Dept. of Public Safety	912,000	1,020,000	1,119,000	+ 99,000	-0-	1,119,000
7. Capital Improvements	7,796,000	3,418,000	2,351,000	-1,067 000	-0-	2,351,000
8. Grant Match Fund	1,322,000	974,000	1,280,000	+306,000	-0-	1,280,000

Revised March 17, 1975

GOVERNMENT OF AMERICAN SAMOA
PROGRAM DISTRIBUTION SUMMARY 1/

	Approved FY 1974	Approved FY 1975	Proposed FY 1976	Over (+) or Under (-) FY 1975	Sources of FY 1976 Funds: Interior Budget Authority	Sources of FY 1976 Funds: Local Revenue Approp.
9. Special Programs						
Added Capitalization - Develop. Load Fund	750,000	500,000	-0-	-500,000	-0-	-0-
Income Tax Reserve Fund	50,000	-0-	-0-	-0-	-0-	-0-
Replacement of Equipment & Emergency Operations	150,000	-0-	-0-	-0-	-0-	-0-
Claims & Damages Fund	-0-	100,000	50,000	- 50,000	-0-	50,000
Small Village Program & Project Contingency Fund	-0-	50,000	-0-	- 50,000	-0-	-0-
	950,000	650,000	50,000	-600,000	-0-	50,000
TOTALS	30,695,000	25,177,000 5/	24,949,000	-228,000	14,000,000	10,949,000 6/

1/ Distributions do not include Federal grant funds other than DOI grant-in-aid

2/ Includes $114,000 transferred from CIP appropriations to budget directly activities previously financed by overhead charges to construction projects and $120,000 for new accounting system

3/ Includes $430,000 for second phase of new accounting system

4/ Includes $655,000 transferred from CIP appropriations to budget directly activities previously financed by overhead charges to construction projects

5/ Revised budget after deferrals of local appropriations based upon revised FY 1975 local revenue estimates and adjustment of FY 1974 actual local revenues

6/ Appropriating legislation not yet enacted.

Revised March 17, 1975

GOVERNMENT OF AMERICAN SAMOA
FY 1976 CAPITAL IMPROVEMENT PROGRAMS

Proposed Program	Local Appropriation Request 1/	Federal Grant Programs Federal Funds	Federal Grant Programs Local Match
Water Development and Distribution	1,500,000		
Electric Power System Improvements	471,000		
Resurface Airport Runway		1,500,000	500,000
Road Construction		1,545,000 2/	662,000
TOTAL CAPITAL IMPROVEMENTS	1,971,000	3,045,000	1,162,000

1/ All basic capital improvement programs in FY '76 are proposed to be totally funded by local appropriations

2/ Includes $887,000 of FY '75 and prior year awards from Federal Highway Administration for which local match funds were not available in FY '75.

Revised March 17, 1975

GOVERNMENT OF AMERICAN SAMOA
ANALYSIS OF INTERIOR BUDGET AUTHORITY
F.Y. 1974 and 1975

	FY 1975	FY 1976	Increase (+) or Decrease (-) over FY 1975
Direct Appropriations			
Governor's Office	295,000	392,000	+ 97,000
Chief Justice & High Court	352,000	327,000	- 25,000
Total Direct Appropriations	647,000	719,000	+ 72,000
Grant-in-Aid			
Dept. of Education	5,800,000	6,300,000	+ 500,000
Board of Higher Education 1/	600,000	766,000	+ 166,000
Dept. of Medical Services	3,317,000 2/	3,800,000	+ 483,000
Dept. of Financial Management 3/	1,038,000	940,000	- 98,000
Office of Material Management 3/	460,000	500,000	+ 40,000
Office of Planning & Systems 3/	352,000	610,000	+ 258,000
Dept. of Public Works	1,376,000	-0-	-1,376,000
Dept. of Legal Affairs	360,000 4/	365,000	+ 5,000
Total Grant-in-Aid	13,303,000	13,281,000	- 22,000
Total Interior Budget Authority	13,950,000	14,000,000	+ 50,000

1/ Formerly under the Dept. of Education

2/ Includes $17,000 transferred from the Dept. of Administrative Services for operation of the Vital Statistics Branch.

3/ Formerly under the Dept. of Administrative Services.

4/ Includes $33,000 transferred from the Dept. of Administrative Services for operation of the Territorial Registrar.

Revised March 17, 1975

GOVERNMENT OF AMERICAN SAMOA
INTERIOR BUDGET AUTHORITY
SUMMARY OF USE OF FUNDS

	Approved FY 1974	Approved FY 1975	Proposed FY 1976
Operations			
Education & Culture			
Dept. of Education	6,000,000	5,800,000	6,300,000
Board of Higher Education 1/	-0-	600,000	766,000
Health Services			
Dept. of Medical Services	3,100,000	3,317,000 2/	3,800,000
General Government			
Governor's Office	284,000	295,000	392,000
Chief Justice & High Court	272,000	352,000	327,000
Dept. of Administrative Services	1,426,000	-0-	-0-
Dept. of Financial Management 3/	-0-	1,038,000	940,000
Office of Material Management 3/	-0-	460,000	500,000
Office of Planning & Systems 3/	-0-	352,000	610,000
Dept. of Public Works	-0-	1,376,000	-0-
Dept. of Legal Affairs	200,000	360,000 4/	365,000
Dept. of Manpower Resources	147,000	-0-	-0-
Total Operations	11,429,000	13,950,000	14,000,000
Capital Improvements			
Education & Culture Facilities	721,000	-0-	-0-
Health Facilities	1,200,000	-0-	-0-
Transportation, Communications, & Power	350,000	-0-	-0-
Advance Planning; A&E Design	300,000	-0-	-0-
Total Capital Improvements	2,571,000	-0-	-0-
Total Interior Budget Authority	14,000,000	13,950,000	14,000,000

1/ Formerly under the Dept. of Education

2/ Includes $17,000 transferred from the Dept. of Administrative Services for operation of the Vital Statistics Branch

3/ Formerly under the Dept. of Administrative Services

4/ Includes $33,000 transferred from the Dept. of Administrative Services for operation of the Territorial Registrar.

Revised March 17, 1975

FY '75-'76 LOCAL REVENUE ANALYSIS/PROJECTIONS
As of 3 March 1975

Description (Source)	FY 1974 Actual Revenue	FY 1975 Conservative Estimate	FY 1975 Optimistic Estimate	FY 1976 Conservative Estimate	FY 1976 Optimistic Estimate
Dept. of Agriculture					
Sale of Livestock	8,722	15,000	15,000	16,000	16,000
Inspection Fees	5,029	4,000	4,000	4,400	4,400
All Other Agriculture	5,334	3,900	3,900	4,200	4,200
Sub-totals	19,085	22,900	22,900	24,600	24,600
Dept. of Financial Mgmt.					
Licenses	130,390	137,000	137,000	144,000	144,000
Interest	315,563	90,000	90,000	70,000	70,000
Income Tax - Individual	2,374,739	2,840,000	3,124,000	2,400,000	2,640,000
Income Tax - Corporate	7,096,135 1/	3,356,000	4,792,000	4,932,000	6,525,000
All Other Financial Mgmt.	8,908	9,400	9,400	9,900	9,900
Sub-totals	9,925,735	6,432,400	8,152,400	7,555,900	9,388,900
Office of Material Mgmt.					
Rents & Leases	266,773	280,000	280,000	294,000	294,000
Supply Surcharges	65,441	10,000	10,000	10,000	10,000
Sub-totals	332,214	290,000	290,000	304,000	304,000
Dept. of Education					
School Lunch Program	8,794	-0-	-0-	-0-	-0-
All Other Education	297	-0-	-0-	-0-	-0-
Sub-totals	9,091	-0-	-0-	-0-	-0-

Revised March 17, 1975

Description (Source)	FY 1974 Actual Revenue	FY 1975 Conservative Estimate	FY 1975 Optimistic Estimate	FY 1976 Conservative Estimate	FY 1976 Optimistic Estimate
Dept. of Medical Services					
Hospital Care/Nursing	128,221	200,000	200,000	208,000	208,000
Pharmacy	9,880	8,400	8,400	8,800	8,800
Cafeteria Services	30,495	33,000	33,000	34,000	34,000
All Other Medical Services	37,267	50,000	50,000	52,000	52,000
Sub-totals	205,863	291,400	291,400	302,800	302,800
Dept. of Public Works					
Water	51,722	56,000	56,000	60,000	60,000
Aerial Tramway	15,703	17,000	17,000	18,400	18,400
All Other Public Works	5,255	5,700	5,700	6,200	6,200
Sub-totals	72,680	78,700	78,700	84,600	84,600
Dept. of Port Administration					
Excise Tax	1,193,716	1,313,000	1,373,000	1,444,000	1,579,000
Custom Charges	323,418	356,000	372,000	391,000	428,000
Pier & Dock Services	266,909	294,000	294,000	323,000	323,000
Harbor Charges	7,119	7,800	7,800	8,600	8,600
Gov't. Harters	63,631	-0-	-0-	-0-	-0-
Private Charters	151,678	-0-	-0-	-0-	-0-
All Other Port Admin.	31,448	35,000	35,000	38,000	38,000
Sub-totals	2,037,919	2,005,800	2,081,800	2,204,600	2,376,600
Misc. Other Revenue					
Court Fees & Fines	44,164	45,000	45,000	45,000	45,000
Travel Permits	12,348	13,000	13,000	14,000	14,000
Data Processing Charges	16,056	80,000	90,000	90,000	120,000
All Other Misc.	26,540	28,000	28,000	29,000	29,000
Sub-totals	99,108	166,000	176,000	178,000	208,000

Revised March 17, 1975

Description (Source)	FY 1974 Actual Revenue	FY 1975 Conservative Estimate	FY 1975 Optimistic Estimate	FY 1976 Conservative Estimate	FY 1976 Optimistic Estimate
Revolving Fund Surplus					
Liquor Store	159,501	200,000	220,000	220,000	240,000
Marine Railway	43,627	-0-	50,000	75,000	75,000
Sub-totals	203,128	200,000	270,000	295,000	315,000
TOTALS	12,904,823	9,487,200	11,363,200	10,949,500	13,004,500

1/ Reflects adjustment (decrease) for $2,400,000 of FY 1975 revenue previously incorrectly accrued as FY 1974 revenue.

3 March 1975

FY 1976 ANTICIPATED FEDERAL GRANT PROGRAMS
(Local Share Includes Cash Match Only)

GAS Dept/Off. (Grant Recpt)	U.S. Dept. & Agency (Grantor)	Authorizing Legislation (Name of Grant)	Purpose of Grant	Federal Share	Local Share	Total Program
Dept. of Education	Health, Education & Welfare Off. of Educ.	Elementary & Secondary Educ. Act, Title I	Assistance for educationally deprived	385,000	-0-	385,000
		" " , Title II	School library resources	30,000	-0-	30,000
		" " , Title III	Supplemental education centers	155,000	-0-	155,000
		" " , Title V Part A	Strengthening state departments	75,000	-0-	75,000
		Elementary & Secondary Educ. Act, Title V Part C	Planning & evaluation	9,000	-0-	9,000
		Elementary & Secondary Educ. Act, Title VII	Bilingual/bicultural education	375,000	-0-	375,000
		National Defense Educ. Act, Title III	School equip., admin. & remodeling	60,000	-0-	60,000
		Educ. Professions Develop. Act, Part F	Teacher training	39,000	-0-	39,000
		" " , " D	Drug education	10,000	-0-	10,000
		Library Services & Contr. Act, Title I	Library services	44,000	-0-	44,000
		" , Title III	Inter-library cooperation	10,000	-0-	10,000
		Education of the Handicapped Act, Part B	Handicapped school programs	70,000	-0-	70,000

Revised March 17, 1975

CAS Dept/Off (Grant Recpt)	U.S. Dept. & Agency (Grantor)	Authorizing Legislation (Name of Grant)	Purpose of Grant	Federal Share	Local Share	Total Program
		Education of the Handicapped Act, Part D	Teacher training	50,000	-0-	50,000
		Communication Act, Title III	Improvement of educ. broadcasting facilities	125,000	-0-	125,000
	Social & Rehabilitation Service	Public Law 90-391	Handicapped career training	29,000	-0-	29,000
	Off. of Child Development	Econ. Opportunity Act Section 242(Head Start)	Preparation of pre-school children	125,000	-0-	125,000
	Agriculture Food & Nutrition Service	National School Lunch Act	School lunch & breakfast programs	704,000	-0-	704,000
			SUB-TOTALS	2,295,000	-0-	2,295,000
Board of Higher Education	Health, Education & Welfare, Off. of Education	Higher Education Act Title IV, C	College work study program	46,000	-0-	46,000
		Vocational Educ. Act	Vocational educ. in Community College	98,000	-0-	98,000
		Adult Basic Educ. Act	Adult educ. in Community College	43,000	-0-	43,000

GAS Department or Office (Grant Recipient)	U.S. Department and Agency (Grantor)	Authorizing Legislation (Name of Grant)	Purpose of Grant	Federal Share	Local Share	Total Program
	Dept. of Commerce National Oceanic & Atmospheric Admin.	National Sea Grant College & Program Act	Commercial fishery instruction training	51,000	25,000	76,000
		SUB-TOTALS		238,000	25,000	263,000
Advisory Council on Vocational Education	Health Education & Welfare . Office of Educ.	Vocational Education Act	Evaluation of vocational education programs	35,000	-0-	35,000
Arts Council	National Foundation of Arts & Humanities National Endowment for the Arts	National Foundation on the Arts & Humanities Act	Operation of museum & Arts Council	65,000	65,000	130,000
Dept. of Medical Services	Health, Education & Welfare Public Health Service	Public Health Service Act, Section 314(a)	Comprehensive health planning	100,000	13,000	113,000
		Public Health Service Act, Section 314(d)	Public health operations	201,000	-0-	201,000
		" " "	Mental Health operations	65,000	-0-	65,000
		Social Security Act, Title V, Sec. 504	Crippled children's services	147,000	-0-	147,000

GAS Department or Office (Grant Recipient)	U.S. Department and Agency (Grantor)	Authorizing Legislation (Name of Grant)	Purpose of Grant	Federal Share	Local Share	Total Program
		Social Security Act, Title V, Sec. 503	Maternal & child health services	160,000	-0-	160,000
		SUB-TOTALS		673,000	13,000	686,000
Office of Marine Resources	Dept. of Commerce National Marine Fisheries Service	Commercial Fisheries Research & Develop. Act	Fisheries research & development	107,000	36,000	143,000
	Dept. of Interior Bureau of Sports Fisheries & Wildlife	Federal Aid in Sport Fish Restoration Act	Sport fisheries inventory & develop.	47,000	-0-	47,000
		SUB-TOTALS		154,000	36,000	190,000
Dept. of Public Works/ Dept. of Public Safety	Dept. of Transportation Nat. Highway Traffic Safety Admin./Fed. Highway Admin.	Highway Safety Act	Highway safety planning	400,000	11,000	411,000
Development Planning Office	Dept. of Commerce Economic Develop. Admin.	Public Works & Economic Development Act	Planning assistance	45,000	30,000	75,000

GAS Department or Office (Grant Recipient)	U.S. Department and Agency (Grantor)	Authorizing Legislation (Name of Grant)	Purpose of Grant	Federal Share	Local Share	Total Program
	Dept. of Housing & Urban Development Community Planning & Management	Housing Act. Sec. 701	Comprehensive territorial plan	75,000	25,000	100,000
		SUB-TOTALS		120,000	55,000	175,000
Dept. of Manpower Resources	Dept. of Labor Manpower Admin.	Comprehensive Employment Training Act	Job training for disadvantaged & summer youth	800,000	-0-	800,000
Governor's Office	Dept. of Interior Youth Conservation Corps	Public Law 91-378	Summer employment for youth	60,000	60,000	120,000
	Health, Education & Welfare Administration on Aging	Older American Act, Title III	Promotion of native skills & crafts	187,000	60,000	247,000
	Social & Rehabilitation Service	Vocational Rehabilitation Act	Vocational rehab. of the handicapped	90,000	60,000	150,000
	Office of Youth Development	Public Law 92-381	Youth development project	25,000	9,000	34,000
	Environmental Protection Agency	Water Pollution Control Act	Water pollution control program	60,000	16,000	76,000
		SUB-TOTALS		422,000	205,000	627,000

GAS Department or Office (Grant Recipient)	U.S. Department and Agency (Grantor)	Authorizing Legislation (Name of Grant)	Purpose of Grant	Federal Share	Local Share	Total Program
Criminal Justice Planning Agency	Dept. of Justice Law Enforcement Assistance Administration	Omnibus Crime Control & Safe Streets Act	Law enforcement planning	205,000	23,000	228,000
		" " "	Law enforcement action programs	160,000	65,000	225,000
		SUB-TOTALS		365,000	88,000	453,000
		Total FY 1976 Operating Grant Programs		5,567,000	498,000	6,065,000
CAPITAL IMPROVEMENTS:						
Dept. of Public Works	Dept. of Transportation Fed. Highway Admin.	Federal Highway Act	Primary & secondary roads develop.	658,000	282,000	940,000
Dept. of Port Admin.	Dept. of Transportation Fed. Aviation Admin.	Airport & Airway Develop. Act	Resurface airport runway	1,500,000	500,000	2,000,000
		Total FY 1976 Capital Improvement Grant Programs		2,158,000	782,000	2,940,000
		Total FY 1976 ANTICIPATED GRANT PROGRAMS		7,725,000	1,280,000	9,005,000

Revised March 17, 1975

ADMINISTRATION OF TERRITORIES

ANALYSIS BY ACTIVITIES

F.Y. 1976 ESTIMATE AND JULY 1 - SEPTEMBER 30 PERIOD

Activity	F.Y. 1976 Estimate	Estimate July 1 - Sept. 30, 1976
DIRECT PROGRAM		
1. Guam Economic Development Fund	$ 1,000,000	$ ---
2. American Samoa:		
(a) Governor's office	392,000	109,000
(b) Chief Justice and High Court	327,000	82,000
Subtotal	719,000	191,000
(c) Grants:		
Dept. of Education	6,300,000	1,848,000
Board of Higher Education	766,000	196,000
Dept. of Medical Services	3,800,000	957,000
Dept. of Financial Management	940,000	240,000
Office of Material Management	500,000	129,000
Office of Planning and Systems	610,000	157,000
Dept. of Legal Affairs	365,000	82,000
Subtotal, Grants	13,281,000	3,609,000
Total, American Samoa	14,000,000	3,800,000
Total estimate - Direct Program	15,000,000	3,800,000
REIMBURSABLE PROGRAM		
1. Virgin Islands, Comptroller's office	975,000	253,000 1/
2. Guam, Comptroller's office	600,000 1/	185,000 1/
Total estimate - Reimbursable Program	1,575,000	438,000
Grand Total	16,575,000	4,238,000

1/ These amounts do not include funds to be reimbursed by the Trust Territory of the Pacific Islands.

Revised March 17, 1975

TERRITORIAL AFFAIRS

Office of Territorial Affairs

administration of territories

For expenses necessary for the administration of Territories under the jurisdiction of the Department of the Interior, including expenses of the Office of the Governor of American Samoa, as authorized by law (48 U.S.C. 1661(c)); compensation and mileage of members of the legislature in American Samoa as authorized by law (48 U.S.C. 1661(c)); compensation and expenses of the judiciary in American Samoa, as authorized by law (48 U.S.C. 1661(c)); grants to American Samoa, in addition to current local revenues, for support of governmental functions; grants to Guam, as authorized by law (48 U.S.C. 1428-1428c); and personal services, household equipment and furnishings, and utilities necessary in the operation of the house of the Governor of American Samoa; [$14,450,000] together with [$375,000] for expenses of the office of the Government Comptroller for the Virgin Islands to be derived from "Internal Revenue Collections for Virgin Islands", as authorized by law (48 U.S.C. 1590(a)) and [$625,000] for expenses of the office of the Government Comptroller for Guam to be derived from duties and taxes which would otherwise be covered into the Treasury of Guam, as authorized by law (48 U.S.C. 1422d (a)), to remain available until expended: *Provided*, That the Territorial and local government herein provided for are authorized to make purchases through the General Services Administration: *Provided further*, That appropriations available for the administration of Territories may be expended for the purchase, charter, maintenance, and operation of surface vessels for official purposes and for commercial transportation purposes found by the Secretary to be necessary.

$15,000,000
$975,000
$600,000

For" Administration of territories" for the period July 1, 1976, through September 30, 1976, $3,800,000, to remain available until expended, together with $253,000 for expenses of the Office of the Government Comptroller for the Virgin Islands and $185,000 for expenses of the Office of the Government Comptroller for Guam: Provided, That the said period shall be treated as a fiscal year for purposes of calculating taxes to be transferred to the Government of the Virgin Islands as authorized by law (26 U.S.C. 7652(b)) and the amount so calculated and certified shall be transferred to the government of the Virgin Islands in fiscal year 1977; Provided further, That any unobligated or unexpended balance of the Federal contribution to the Government of the Virgin Islands made pursuant to law (26 U.S.C. 7652(b)) remaining at the end of the period July 1, 1976, through September 30, 1976, shall remain available for expenditure in fiscal year 1977.

(Executive Orders 6726, 10077, 10137. 48 U.S.C. 1391, 1421-1426c; Department of the Interior and Related Agencies Appropriation Act, 1975.)

Revised March 17, 1975

ADMINISTRATION OF TERRITORIES

Program and Financing (in thousands of dollars)

		1974 actual	1975 estimate	1976 estimate
Program by activities:				
	Direct Program			
1.	Guam:			
	(A) Loans	2,551	4,000	2,095
	(B) Grants	2,379	2,000	1,083
	(C) Economic development fund	750	500	1,000
2.	American Samoa:			
	(A) Governor's office	286	296	392
	(B) Chief Justice and high court	281	352	327
	(C) Grants	11,391	15,423	13,281
	Total direct program costs	17,638	22,571	18,178
	Change in selected resources	-4,315	---	---
	Total direct obligations	13,323	22,571	18,178
	Reimbursable Program			
1.	Virgin Islands, comptroller's office	744	975	975
2.	Guam, comptroller's office	597	876	825
	Total reimbursable program	1,341	1,851	1,800
10	Total obligations	14,664	24,422	19,978
Financing:				
11	Receipts and reimbursements from: Federal funds	-1,341	-1,851	-1,800
21	Unobligated balance available start of year	-10,791	-11,592	-3,178
23	Unobligated balance transferred to (+) other accounts	+376	+293	---
24	Unobligated balance available, end of year	11,592	3,178	---
40	Budget authority (appropriation)	14,500	14,450	15,000
Relation of obligations to outlays:				
71	Obligations incurred, net	13,323	22,571	18,178
72	Obligated balance, start of year	9,310	2,663	4,734
74	Obligated balance, end of year	-2,663	-4,734	-4,836
90	Outlays	19,970	20,500	18,076

Revised March 17, 1975

ADMINISTRATION OF TERRITORIES

Object Classification (in thousands of dollars)

		1974 actual	1975 estimate	1976 estimate
	Direct Program			
	Personnel compensation:			
11.1	Permanent positions	391	402	415
11.8	Special personal services payments	157	229	269
	Total personnel compensation	548	631	684
	Personnel benefits:			
12.1	Civilian	31	32	34
21.0	Travel and transportation of persons	51	45	56
22.0	Transportation of things	12	18	17
23.0	Rent, communications, and utilities	19	15	37
24.0	Printing and reproduction	4	6	4
25.0	Other services	28	74	83
26.0	Supplies and materials	16	13	20
31.0	Equipment	10	18	7
33.0	Investments and loans	311	4,000	2,095
41.0	Grants, subsidies, and contributions	12,293	17,719	15,141
	Total Direct Program	13,323	22,571	18,178
	Reimbursable Program			
	Personnel compensation:			
11.1	Permanent positions	724	1,237	1,222
11.3	Positions other than permanent	10	25	25
	Total personnel compensation	734	1,262	1,247
	Personnel benefits:			
12.1	Civilian	81	206	208
21.0	Travel and transportation of persons	86	71	133
22.0	Transportation of things	13	46	25
23.0	Rent, communications, and utilities	44	95	60
24.0	Printing and reproduction	3	15	8
25.0	Other services	369	101	74
26.0	Supplies and materials	9	30	28
31.0	Equipment	2	25	17
	Total Reimbursable Program	1,341	1,851	1,800
99.0	Total obligations	14,644	24,422	19,978

Revised March 17, 1975

Personnel Summary

Direct:			
Total number of permanent positions.	12	12	15
Average paid employment.....	13	12	15
Reimbursable:			
Total number of permanent positions.	60	62	62
Full-time equivalent of other positions.....	1	1	1
Average paid employment.....	43	55	60
Average GS grade.....	11.23	11.28	11.17
Average GS salary.....	$18,726	$18,902	$19,081
Average salary of ungraded positions.....	$ 6,013	$ 6,250	$ 6,400

PROGRAM AND FINANCING - TRANSITION PERIOD
(In thousands of dollars)

Program by activities:		
Direct Program:		
2. American Samoa:		
(a) Governor's office.....		109
(b) Chief Justice and high court.....		82
(c) Grants.....		3,609
Total direct obligations.....		3,800
Reimbursable Program:		
1. Virgin Islands, comptroller's office.....		253
2. Guam, comptroller's office.....		185
Total reimbursable program.....		438
10 Total obligations.....		4,238
Financing:		
11 Receipts and reimbursements from Federal funds.....		-438
40 Budget authority (appropriation).....		3,800
Relation of obligations to outlays:		
71 Obligations incurred, net.....		3,800
72 Obligated balance, start of year.....		4,836
74 Obligated balance, end of year.....		-4,836
90 Outlays.....		3,800

Revised March 17, 1975 TERR-78

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Administration of Territories

Justification for Transition Period

American Samoa..... $3,800,000

An estimate of $3,800,000 is requested to fund Direct and Grant activities in American Samoa for the period July 1, 1976, through September 30,1976. This estimate has been formulated on the basis that programs conducted during the transition period will generally be a continuation of the programs outlined within the fiscal year 1976 Budget Justifications. Programs are estimated to remain at the proposed fiscal year 1976 levels considering all sources of funding. This estimate is approximately 27 percent of the funding level for American Samoa at the fiscal year 1976 budget estimates level.

Comptroller's Offices..... $438,000

The estimate for the transition period for operations of the Comptroller's Offices is approximately 25 percent of the funding level contained in the fiscal year 1976 estimates.

Comptroller's Office Virgin Islands.....	$253,000
Comptroller's Office Guam.....	185,000

Revised March 17, 1975

SHORTAGE OF LOCAL REVENUE

Governor RUTH. Senator, I appreciate the opportunity to appear before you. That is the advance statement you have, and I will tell you what it says briefly. That is, in 1976, we are asking for $14 million which we anticipate getting. Our local revenue was anticipated at $16 million, and this was about 5 months ago when this was made up. Right now, we know the revenue will not exceed $11 million, so we are $5 million short right there in making the presentation.

Also, besides the shortage of local revenue, we know we will be $1.4 million short in Federal funding. So we are $6.4 million short at the time we go to bat. In 1975, it was worse; we asked for $14 million, we got $14 million; we anticipated $18 million in local revenues and got $11 million which made us $9 million short. And we were $1.6 million short in our Federal funding. So we were $10.6 million short when I got there, with 4 months to go.

We have taken certain actions to meet the payroll and make sure the cash flow comes out properly. With your permission I would like to list some supplementary remarks, and in order to be brief and accurate, I would like to read them.

This budget was prepared in September 1974. At that time, things seemed to be going pretty well, although if we had proper accounting we could have recognized that this was not a true appraisal. Anyway, what we have in this current budget is a holding situation—the primary concern is to get by one additional year.

CAPITAL IMPROVEMENTS

Operating 2 successive years in the face of unbalanced budgets—$10 million plus $6 million—is both undesirable and difficult, however, this is not our biggest worry. The lack of capital improvements is a much greater problem. This is undermining both the morale and the economic growth of the island.

Capital improvements of the past, although with the best of intentions, have failed to keep pace with the rapid growth and emergency needs. For electricity we are operating on temporary and outmoded equipment. Even with full power we cannot reach the necessary peak and have no backup facilities. Our water supply is furnished through a worn and outmoded pipeline with insufficient wells and no emergency reservoir.

Not only are we in no position to attract new industry, but are in danger of losing what we have. I know this is difficult to realize, but in our own electric plant we have a permanent bailing wire operation—with no long-term plans. A day passing without power failure is unheard of—we live in dread of a permanent blackout.

Also, a few days without rain would result in an immediate water problem. Powerwise, we have a twofold problem: immediate power on a temporary basis, and the implementation of a long-term plan while we operate on temporary power. I realize the long-term solution requires a firm, approved plan, and I hope to have that in the near future. Our short-term emergency plan is to improve our power immediately on a temporary basis.

Through the cooperation of the military, I hope to avoid a blackout. Perhaps the committee could give me some time to prepare a precise

figure on the cost of this emergency power supply; also an increased appropriation to prevent loss of some matching fund programs would be good economy.

After working out some increases with the Department and the Office of Management and Budget, I would hope to present an amendment before this is presented to the Senate.

BUDGET RESTRAINTS

Senator STEVENS. That is a sad tale. I am sure as a former colleague and a Member of Congress, you know we do not like to hear of those problems. I know you are just up at bat as the new Governor. Who put the restraints on this budget?

Governor RUTH. They were not what you would call restraints. The budget was made 5 or 6 months ago when nobody was cognizant of the problems we had. I don't know how this came about. I do have some people here who might be able to answer that for you.

Senator STEVENS. I am told the budget request is down $1 million in education alone. Do you have a decreasing school population?

Governor RUTH. No, when I got there on February 28, because of this $10 million plus shortage, I cut every department 30 percent. This would put education down a good bit. We could not meet the payroll if we had not done it.

There was a tax roll that went out from the tax department and they came out with suggested measures.

Senator STEVENS. Could you please detail the impact this is having on this and other key programs.

Governor RUTH. The fiscal year 1975 program cuts were, of course, necessary to allow the government to live within the overall reduced funding level for the current year. Many government personnel have been either furloughed or terminated within the last few weeks, including 98 employees of the Department of Education. Many other personnel have been reduced to a 32 hour work week in order to accomplish additional cost savings. The Department of Education may be forced to shorten this school year by as much as 3 weeks. The quality of the majority of government programs will be sharply reduced for the remainder of fiscal year 1975.

For fiscal year 1976, it was necessary to cut back operating programs by almost $4 million from previously proposed levels in order to retain some local revenues to finance a few critically needed capital improvement programs. The impact on fiscal year 1976 programs will not be as great as in fiscal year 1975, as the fiscal year 1975 reductions were required to be accomplished over a period of only a few months. The majority of government programs, however, will be conducted at minimum levels during fiscal year 1976.

DAMAGE FROM DROUGHT

Senator STEVENS. What are the estimates of damage caused by the drought?

Governor RUTH. The exact estimate is difficult. I will refer that to Mr. Mel White.

Senator STEVENS. I am interested to learn if you have estimates and if anyone has looked at disaster assistance laws to see if American Samoa could be helped in any other way. What are the estimates?

Mr. WHITE. Actually, we are down about $9.2 million in local revenue from what we anticipated in August 1974. This revenue was intended to cover fiscal year 1975 programs. There were several problems involved in this.

One was the drought we suffered during the past summer and early fall. Both of our canneries, Star-Kist and Van Camp, were on limited operations through the summer months of June, July, and August because of our water problems. From the first part of September to the end of November, we had to shut them down completely. We did not have the water to supply them to enable them to pack fish.

Senator STEVENS. Don't you have any naval operations out there?

Mr. WHITE. No, sir.

Senator STEVENS. Are there facilities for the Navy to dock there?

Mr. WHITE. Yes, sir.

Senator STEVENS. I recall when we had a drought problem with the Virgin Islands, we sent two battlewagons in there with enough water to run their tourist hotels. Has anyone looked to the Navy for some assistance?

Mr. WHITE. I believe the previous Governor, Governor Hayden, had discussed this. But this had not materialized. I am not sure——

Senator STEVENS. Did the Department ask for assistance for American Samoa from the Navy?

Mr. RICE. I am not aware of that. That was before my term of office. An effort was made for some Navy tankers but it began to rain before that materialized. The water situation was corrected, I believe, by the rains before it became necessary for the Navy to begin bringing water down to America Samoa.

Senator STEVENS. The drought does not continue, does it?

Mr. RICE. No, sir.

FEDERAL DISASTER ASSISTANCE

Senator STEVENS. What about the disaster assistance? Was any application made for distaster assistance?

Mr. WHITE. We received some funds from the Federal Disaster Assistance Administration.

Senator STEVENS. I am talking about measures to restore the economy.

Mr. WHITE. The only funds we received were unemployment assistance funds for the cannery workers who were laid off.

Senator STEVENS. How much did you get?

Mr. WHITE. The amount was $250,000, I believe, sir.

Senator STEVENS. I am told HUD has a balance of funds they are going to return to the Treasury, $2 million in disaster funds this year. Did anyone look to see if there were funds to restore the economy? I don't think this is the new Governor's problem. What was done in the past to offset that drought when it was going on?

Governor RUTH. I might say here, Mr. Chairman, the only help that came, as I can see, was some unemployment checks for those people who were laid off. I was disappointed when I learned about it, that we

did not have steps taken for permanent correction of the problem. That is what you are referring to, I think.

Senator STEVENS. Is there any pending application for assistance under the Disaster Act?

Governor RUTH. Not to my knowledge.

Mr. RICE. No, Mr. Chairman, not to my knowledge.

INSUFFICIENCY OF BUDGET

Senator STEVENS. Maybe other Members of Congress do not feel the same way, but I have lived a considerable part of my life in a territory, and it is bad to come to the "Great White Father" and ask for aid. It is even worse to see a budget like this.

Right now we are talking about a bill on the floor that is supposed to provide $30 million to stimulate the national economy. It certainly won't stimulate yours very much.

Governor RUTH. No, sir, the approach you mentioned with regard to disaster assistance—we have not utilized that avenue at all, and I really don't know if it is open to us, but I am sure the Senator does.

AVAILABILITY OF DISASTER AID

Senator STEVENS. I must confess to you I don't know if American Samoa is eligible for disaster assistance under the new disaster assistance law. Do any of the representatives of the Interior Department know?

Mr. WILES. I do not know myself, Mr. Chairman.

Mr. RICE. All of the funds that would be applicable have been applied for. That is where the $250,000 came from.

Senator STEVENS. What is the Governor to do? You have a budget lower than before. You have it dropping at a rate of 50 percent.

Governor Ruth, you have a very unenviable position. Maybe your colleague, Ben Mizell, might help you. He is with EDA now. But this is a band-aid budget. It is going to go from bad to worse.

POSSIBLE BUDGET AMENDMENT

Governor RUTH. I agree with you. We have been talking to the Office of Management and Budget, and I hope we can come up with an amended figure before you take this to the Senate floor.

Mr. WILES. American Samoa has not submitted a formal amendment on this, nor have we had a chance to review the situation in the Department or act upon it. We are asking the Governor to send in an amendment so we can send it through the process and possibly get it to the Congress in time before you mark up the bill.

Senator STEVENS. I am sure you are familiar with our procedures, and I will be happy to give you my home address so you can send me that. I just can't see leaving a territory in this situation after a disaster.

I saw my own State go through two disasters in a row. If it had not been for timely assistance, we would not have any economy left. The question of "timely assistance," when you are that far from the mainland, is the key. I would hope the Department would do everything it could to accelerate it.

Governor, I don't know what I have to do to protect you in your new position, but whatever it is I have to do to make certain that you are not going to get in trouble with the budget office, I will do it. I would like to have a copy of whatever you believe is necessary to get everything back on the track.

SPECIFIC NEEDS

The staff reminds me we should be specific. We would like to request specifically research of what assistance American Samoa is entitled to under the Disaster Assistance Act or any other act authorizing assistance for this type of disaster.

There are agricultural acts that might cover it. Since your principal product is still fish, it would come under agricultural acts too.

I am familiar with that. We had a natural disaster in my State declared last year because of the last of a fish run in the Bristol Bay. That is in country where we had only one of the three canneries operating, and we absolutely had a complete disaster in the natural sense because of the failure of the runs to return. There are some things to be done if you are eligible.

Now, second, I would specifically like to ask you, Governor, if you would submit to the committee, directly to the committee, a listing of the priorities which you feel—or projects that you feel would assist American Samoa to recover and the problems and priorities that you and the Samoans believe should be placed on these projects that could be funded through Federal assistance that could be used to restore the economy of American Samoa.

MATCHING FUNDS

Governor RUTH. Thank you very much, Senator. Whether it is going to take an appropriation or some assistance from some of the Federal programs, I do not know.

We have been researching the Federal programs pretty heavily. Most of the time when you run into a Federal program, they are talking about matching funds, and that leaves us out in the cold right off the bat. That is one of the biggest problems we have.

Senator STEVENS. I think we can take care of that. We are just as ready to take care of some problems that require matching funds. I think we can eliminate the requirement for some matching funds under the circumstances. If you are subject to the Disaster Assistance Act funds, those requirements are changed.

We would like to be of assistance. I am sure you know your former colleagues wish you every success in your endeavors out there.

PROGRAM CUTS

Senator STEVENS. You observe in your statement that, because of losses in local revenues, you are taking sharp cuts in operating and construction programs. Generally, how did you go about allocating the operation cuts?

Governor RUTH. It was felt that programs directly relating to the protection of life and property, that is, the departments of medical services and public safety should be given the highest priority. Next in

priority, were key government administrative functions such as the judicial and legislative branches of the government, the department of port administration, and the office of the Governor. Ranked next in relative importance were the department of education and the board of higher education, the latter consisting of the community college and the Tafuna Occupational Skills Center. Considered to be of lesser priority, were the remainder of the government activities including the operation of the department of public works. Considering the sharp reductions in capital improvement programs in both fiscal year 1975 and fiscal year 1976, we felt that several of public works' functions, that is, engineering, architectural design, and construction administration could be significantly cut back during the 2-year period.

PUBLIC WORKS SHORTAGES

Senator STEVENS. Now in terms of your public works programs, it appears to the committee that the brunt of the reductions that you had to make was in fact placed in public works which would be economic stimulants. Was that a calculated effort to stimulate economic growth, stimulate economic public works?

Governor RUTH. No, Senator. It is a kind of sad story. American Samoa for many years was doing pretty well on local revenue. It was suggested, and it became a policy, that American Samoa handle its own public works jobs through local revenue. It was really, under this policy, not the responsibility of the committee to handle it.

Then, we had 2 years running where a disaster came for which there was no local revenue to handle permanent improvement projects and we were left completely in the hole. This is how we got into this situation. It was the result of the drought and the other things that you mentioned.

But it was not premeditated. It was anticipated this budget would be full. If we had not lost that $11 million or so money last year, and didn't face the situation of losing $6.4 million this year, I would have more than it would take to start to handle the program. But I just don't have it.

Also, we were so short that our cash flow ran short, and we had to economize to beat the band for this fiscal year.

ALTERNATIVES

Senator STEVENS. I am sure the committee understands your difficulties in that regard. It does seem the response to your problems from the Department and from the Federal Government as a whole has been rather tardy.

Were reductions in other areas considered?

Governor RUTH. Within the overall reduced funding level for fiscal year 1976, including anticipated Department of the Interior Budget authority of $14 million, only a minimal amount of funds—about $3.1 million—will be available to finance a few selected critical capital improvement programs. Further reductions in other areas were not possible without completely curtailing basic Government services. In the electric powerplant we were very weak at the outset. The loss in construction was simply a matter of insufficient matching funds.

Senator STEVENS. What impact will this halt in construction have on your programs in the future?

Governor RUTH. If additional funds are not received for capital improvements in fiscal year 1976, particularly for electrical power and water improvements, the impact not only on Government programs but also on the territory overall could be disastrous.

OTHER FEDERAL GRANTS

Senator STEVENS. The loss of $1.4 million in categorical grants because of the absence of sufficient matching funds seems unwarranted. Were any alternatives considered?

Governor RUTH. The only alternative would be to cut back fiscal year 1976 operating programs even further to be able to provide the local matching funds for these grant programs. Since operating programs will already be conducted at minimal levels in fiscal year 1976, we feel that additional reductions in operating programs are not possible without completely curtailing several basic Government functions. We did appeal for waiver of local matching funds on these grant programs.

Senator STEVENS. What amounts are needed to avoid this loss?

Governor RUTH. Additional funds of $587,000 are needed to receive the $1.4 million in other Federal grant funds. This amount is for fiscal year 1976 programs only.

Senator STEVENS. Please supply a breakdown of your 1975–76 losses in other grants as things stand now and give us an estimate of the needed matching funds for 1976.

Governor RUTH. I would be pleased to supply that for the record.

[The information follows:]

GRANTS FOREGONE BY GOVERNMENT OF AMERICAN SAMOA FOR LACK OF CASH MATCH IN FY 1975

AGENCY (Purpose of Grant)	Local Cash Required	Available Federal Cash
Environmental Protection Agency (Sewer construction)	$ 438,000	$1,315,000 1/
Army Corps of Engineers (Small boat harbor - Ta'u)	800,000	1,000,000
Bureau of Outdoor Recreation (Recreation projects construction)	112,000	112,000
Army Corps of Engineers (Seawall construction)	304,000	304,000
Federal Highway Administration (Road construction)	561,000	1,309,000
Law Enforcement Assistance Administration (Construct new police station)	150,000	150,000
TOTALS	$2,365,000	$4,190,000

1/ Includes additional allotment of $738,000 from previous withheld amounts.

GRANTS FOREGONE BY GOVERNMENT OF AMERICAN SAMOA FOR LACK OF CASH MATCH IN FY 1976

AGENCY (Purpose of Grant)	Local Cash Required	Available Federal Cash
Environmental Protection Agency (Sewer construction)	$387,000	$1,160,000
Army Corps of Engineers (Seawall construction)	150,000	150,000
Bureau of Outdoor Recreation (Recreation projects construction)	50,000	50,000
TOTALS	$587,000	$1,360,000

TRAVEL

Senator STEVENS. Several cost increases are tied to travel, much of it to the mainland. In what way have you attempted to reduce travel?

Governor RUTH. Within revised fiscal year 1976 budget levels, there will be no increases for travel. In fact, overall travel costs are estimated to be reduced by a minimum of 15 percent from fiscal year 1975 levels.

ECONOMY

Senator STEVENS. Generally, it is clear that American Samoa has taken severe economic losses over the past year. The Government of American Samoa seems to have built its entire response on equally severe reductions in services, which seems to be aggravating the entire situation. Do you have figures now on your employment losses in both private and Government positions?

Governor RUTH. Approximately 500 Government employees have been either furloughed or terminated within the last few weeks. In addition, approximately 60 previously budgeted positions have not been filled due to program cutbacks effected during the current year. Employment loss figures in the private sector are not available at this time.

Senator STEVENS. What Federal economic assistance might be available to American Samoa aside from the regular programs we've been discussing?

Governor RUTH. The Government of American Samoa in conjunction with the Department of the Interior is currently exploring other funding possibilities.

ADDITIONAL FUNDING PRIORITIES

Senator STEVENS. If this committee saw fit to provide increased appropriations, where could you use them most effectively?

Governor RUTH. If increased appropriations were provided, these funds would be used for critically needed electrical power and water systems improvements, and to increase our overall level of financing to enable us to provide the required local matching funds for other fiscal year 1975 and fiscal year 1976 Federal grant programs which we would otherwise lose. We would be happy to provide a priority listing of these programs indicating Federal amounts available and additionally needed funds.

[The information follows:]

CAPITAL IMPROVEMENTS PRIORITY LISTING GOVERNMENT OF AMERICAN SAMOA

Program	Estimated total cost	Federal funds available [1]	Funding needed
Electrical power improvements	$2,620,000	0	[2] $2,620,000
Water system improvements	7,000,000	$2,500,000	4,500,000
Road construction	1,870,000	1,309,000	[3] 561,000
Small boat harbor—Ta'u	1,800,000	1,000,000	[3] 800,000
Sewer construction	3,300,000	2,475,000	[3] 825,000
Seawall construction	908,000	454,000	[3] 454,000
Construction of new police station	300,000	150,000	[3] 150,000
Recreational facilities construction	324,000	162,000	[3] 162,000
Total	18,122,000	8,050,000	10,072,000

[1] Available now or in fiscal year 1976.
[2] Assumes initial costs of power improvements ($300,000) will be financed by fiscal year 1975 supplemental appropriation.
[3] Local matching shares required to receive indicated Federal amounts.

TOTAL FUNDING

Senator STEVENS. Considering all of American Samoa's funding sources—Federal and local—what are your total estimated expenditures for 1975 and 1976, and how do they compare with 1974?

Governor RUTH. I would like to submit a table for the record showing the total expenditures for fiscal years 1974, 1975, and 1976.

[The information follows:]

	Fiscal year—		
	1974 actual	1975 estimated	1976 proposed
Direct congressional appropriations	$556,000	$647,000	$719,000
Department of the Interior grant-in-aid	13,444,000	13,303,000	13,281,000
Local appropriations	16,695,000	11,227,00	10,949,000
Other Federal grants	6,981,000	6,994,000	7,725,000
Total	37,676,000	32,171,000	32,674,000

CANNERIES

Senator STEVENS. I really cannot overemphasize my feeling about this—and I think the Chairman would agree with me—that we cannot allow this to continue. You are relying on local funds that are not there. You are going to have to find some other stimulus.

Are the canneries open?

Governor RUTH. They are not operating at the present time. Not because of the water shortage. It was time for them to close down and clean up. But if they did want to open right now, I don't know what we would tell them. With our power shortage, it is not sufficient for them to operate.

Senator STEVENS. Is there a task force dealing with this?

Governor RUTH. We have a task force dealing with it. We think from the standpoint of the cash flow, we have a thorough knowledge of the problem.

Senator STEVENS. Are there any Samoans with you?

INTRODUCTION OF PRESIDENT SALANOA AND SPEAKER FUAUAI

Governor RUTH. Yes, and I am anxious to introduce them.

I have the President of the Senate, Mr. Salanoa. I have the Speaker of the House, Mr. Te'o Fuauai. Then, we have our Representative in Washington, Judge Lutali. Our Director of Education happens to be in town, Mrs. Mere Betham.

Senator STEVENS. I must go vote again. Do you gentlemen have anything to add to the presentation? I would be happy to hear from you.

POSITION OF SAMOAN LEGISLATURE

Senator SALANOA. Mr. Chairman, I don't have much to say except we are the leadership, and we are in full cooperation and supporting the Governor. You ought to be aware that our new Governor was in American Samoa for the last 3 weeks, so he did not participate in

this cash flow problem. We are sympathetic with the problem he is facing now, but we are also facing up to it.

You should be aware of the fact that our legislature is not sitting idle. Last session we passed some measures in order to relieve this situation. But we want the chairman and the committee to take into consideration this serious problem we are facing now with respect to our electricity and our water. We have only two canneries which provide us with sufficient local revenue. Those two companies will move out if no remedy can be made with our power and our water.

So we ask your support with respect to that.

Senator STEVENS. Thank you very much. You are working with a Governor who comes with great reputation from here. He will present us, I am sure, with some feasible projects and alternatives, and we will do whatever we possibly can.

SUBCOMMITTEE RECESS

I must leave for a vote now, and this appears to complete our principal questioning.

We will be in recess subject to the call of the Chair.

[Whereupon, at 4:20 p.m., Thursday, March 20, the subcommittee was recessed, to reconvene at the call of the Chair.]

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1976

TUESDAY, APRIL 1, 1975

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

The subcommittee met at 10:30 a.m., in room 1114, Everett McKinley Dirksen Office Building, Hon. Robert C. Byrd (chairman) presiding.

Present: Senators Byrd, Stevens, and Hatfield.

DEPARTMENT OF THE INTERIOR

NATIONAL PARK SERVICE

STATEMENTS OF:

NATHANIEL P. REED, ASSISTANT SECRETARY FOR FISH, WILDLIFE, AND PARKS

GARY E. EVERHARDT, DIRECTOR, NATIONAL PARK SERVICE

ACCOMPANIED BY:

CLEO F. LAYTON, STAFF ASSISTANT

THEODORE R. SWEM, ALASKA PLANNING GROUP

JERRY G. ROGERS, CHIEF, DIVISION OF GRANTS

RICHARD C. CURRY, ASSOCIATE DIRECTOR, LEGISLATION

JOHN E. COOK, ASSOCIATE DIRECTOR, PARK SYSTEM MANAGEMENT

W. C. QUICK, CHIEF, PROGRAMING AND BUDGET DIVISION

LOWELL V. STURGILL, CHIEF, PROGRAMS CONTROL DIVISION

MANUS J. FISH, DIRECTOR, NATIONAL CAPITAL PARKS

FRANCIS M. WILES, DIRECTOR OF BUDGET, OFFICE OF THE SECRETARY

BUDGET REQUEST

Senator BYRD. The subcommittee will be in order.

This is the time set for hearing the fiscal year 1976 budget estimates of the National Park Service. They total slightly more than $308 million, which is over the current appropriations by $1.8 million. There is also a requested $12.7 million increase in road contract liquidations. The justifications have been included in part 1 of the record (pp. 273–451).

STATEMENT HIGHLIGHTED

The subcommittee will first hear Secretary Reed and will briefly question him on his opening statement. Would you please highlight your statement, which will be printed in full in the record, or you may read it in its entirety if you desire.

Secretary REED. Thank you, Mr. Chairman. With your permission, I would like to submit my statement for the record and touch upon some of the highlights.

[The statement follows:]

Mr. Chairman, I am delighted to have the opportunity to come before you and members of this Subcommittee for a discussion of the programs and budget requests of the National Park Service. With me today are representatives of the National Park Service.

This year I am privileged to introduce Gary Everhardt as the new Director of the National Park Service. He is the ninth person to hold the position since Stephen T. Mather first assumed it 58 years ago. Gary's National Park Service career began right after his graduation from college as a civil engineer on the Blue Ridge Parkway in North Carolina, Virginia and Georgia. He also served in engineering positions in the Park Service's Southeast Regional Office, and the Southwest Regional Office, where he was regional chief of maintenance. In May 1969 he was appointed Assistant Superintendent for Operations at Yellowstone National Park where he was directly responsible for all park operations including visitor protection, interpretation, maintenance and administration. He was appointed Superintendent at Grand Teton National Park in January 1972. He is young, dynamic and possesses great leadership ability. Secretary Morton and I feel that the National Park Service is in good hands.

Former Director Ronald Walker's tenure was highlighted by a strengthening and broadening of responsibilities at the National Park Service's nine regional levels because he decentralized policy making to the field to the extent possible. Under his leadership significant strides were made in protecting the natural environment and in providing for the enjoyment and education of people throughout the National Park System.

The National Park Service, established in 1916, today manages and protects 287 units in the fifty States, the District of Columbia, Puerto Rico and the Virgin Islands. Legislative enactments have shaped the National Park System into three different categories -- natural, historical and recreational.

Natural areas are the oldest category, reaching back to the establishment of Yellowstone National Park approximately a century ago. The natural areas managed are 74 in number and consist of the national parks and monuments established primarily for their scenic and scientific values.

A little later historical areas came into being as a part of the system. These are 167 in number and are those sites associated with important movements, events and personalities of the American past.

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Then in recent decades, recreational areas were included in response to increasing demand for recreation. These are 45 in number and include scenic parkways, reservoirs, seashores, lakeshores and riverways.

The park system of the National Capital is a separate area also administered by the National Park System.

For Fiscal Year 1976, the National Park Service appropriation request is $346.8 million, an overall increase of $3.7 million. It places major emphasis on operating programs and provides especially for Bicentennial activities. There is a dramatic decrease of $15.5 million in the capital improvement appropriation recognizing the completion of funding in Fiscal Year 1975 of the Bicentennial developments and the need for the Service to readjust after the workload associated with the Bicentennial to a sequential planning, design, construction schedule necessary for future general National Park Service development programs.

The Bicentennial activities are intended to provide a follow-through on the three-year, $110 million construction program in designated Bicentennial park units. With your assistance, the National Park Service will be ready throughout the System to provide for special events commemorating the growth and development of our Nation. We expect increased visitation and will be ready to handle our part in this significant celebration.

We are cognizant, of course, of our responsibility to manage the use of the National parks, monuments and other units in the System so as to conserve the scenery, natural and historic objects, and the wildlife. At the same time, we must provide for their enjoyment in such a manner as will leave them unimpaired for the enjoyment of future generations.

Director Everhardt is particularly sensitive to the delicate balance which must be struck between preservation and use, and the need of maintaining that balance at individual units of the National Park System.

The Service administers a matching grant program to the States and the National Trust for Historic Preservation for the acquisition and preservation of significant historic, architectural and archeological resources in the United States. It is a program that I suggest warrants a close look by the Committee. Many of the historic treasures reach a jeopardy stage and I dare say that more and more of them are close to

that situation. Since 1966, a total of $52.3 million has been appropriated for direct grants to help preserve the historic fabric of this Nation.

The National Park Service also maintains the National Register, a device by which properties, sites, and districts of historic significance are given appropriate recognition. Federal agencies are required by law to consider the effect of any Federal or federally assisted program on properties identified in the National Register. Upon request of the Federal agency involved, or of other appropriate archeological authorities, the National Park Service undertakes archeological salvage in connection with Federal or federally assisted projects which may result in alteration of the natural terrain.

Mr. Chairman, I realize that I have given a rather brief overview. In the event that I did not touch upon any program or policy that may be of interest to you and the other members of this Committee, I want to assure you that my associates and I will be happy to respond to any questions that you have.

BUDGET REQUEST

Secretary REED. I am delighted to have the opportunity to come before you and the members of this subcommittee for a discussion of the programs and budget requests of the National Park Service.

With me today is the distinguished Director, Gary Everhardt, who was appointed January 13, 1975. He has a most impressive background and experience in the Service. He is young, imaginative, dedicated and decidedly capable to lead the Service in the early stages of its second century. Secretary Morton and I feel that the Service is in good hands.

I am indeed proud of the professionals and support personnel who assist the Director in the planning and management of their important natural resource programs. One of the great pleasures of my tenure has been the opportunity to be associated with the dedicated, capable employees of the Service who, in my judgment, are among the singularly most dedicated members of the Federal Government.

As I mentioned when I appeared on behalf of the Fish and Wildlife Service budget, the formulation of our budget for fiscal year 1976 has been a difficult experience. Quite frankly, one of my great disappointments during my tenure thus far is the necessity to cope with austerity budget years. When I was appointed, I quickly learned that my programs seriously needed a transfusion of additional money and manpower to bring them up to what I believed was necessary for normal or standard operational levels.

To complicate the situation, we have been given additional responsibilities in the form of new or expanded programs.

Mr. Chairman, I have with me this morning a list of the areas, eleven new areas, and the six boundary changes that were passed late in the 93rd Congress with their necessary permanent positions, and initial year funding which I think will be of interest to you and the Committee members. I would like to insert it, if I may, at this moment.

Senator BYRD. It will be included in the record.

[The list follows:]

UNITED STATES
DEPARTMENT OF THE INTERIOR
NATIONAL PARK SERVICE
WASHINGTON, D.C. 20240

Summary of Initial Funding for Fiscal 1976 Operating Increases
for New Park Areas and Boundary Changes
Recently Signed into Law

Park and State	Authority	Purpose	Number of Permanent Positions	Man-Years Other	Amount Required
Big Cypress National Preserve, Florida	P.L. 93-440	New Area	--	--	$ --
Big Thicket National Preserve, Texas	P.L. 93-439	New Area	6	0.9	138,700
Boston NHP, Massachusetts	P.L. 93-431	New Area	39	11.1	1,704,200
Cabrillo NM, California	Presidential Proclamation (4319)	Boundary Change	3	--	43,100
Canaveral NS, Florida	P.L. 93-626	New Area	10	6.5	368,200
Clara Barton NHS, Maryland	P.L. 93-486	New Area	6	0.5	145,500
Cuyahoga Valley NRA, Ohio	P.L. 93-555	New Area	3	--	80,000
Fort Necessity NB, Pennsylvania	P.L. 93-477	Boundary Change	1	1.0	47,400
Grand Canyon NP, Arizona	P.L. 93-620	Boundary Change	4	3.8	296,400
John Day Fossil Bed NM, Oregon	P.L. 93-486	New Area	5	0.4	145,000
Knife River Indian Villages NHS, North Dakota	P.L. 93-486	New Area	2	0.9	64,000
Martin Van Buren NHS, New York	P.L. 93-486	New Area	2	1.9	224,800
Morristown NHP, New Jersey	P.L. 93-477	Boundary Change	2	--	63,300
Piscataway Park, Maryland	P.L. 93-444	Boundary Change	3	--	64,200
Rocky Mountain National Park, Colorado	P.L. 93-477	Boundary Change	1	0.6	30,000
Sewall-Belmont House NHS, Washington, D.C.	P.L. 93-486	New Area	8	0.5	168,800
Springfield Armory NHS, Massachusetts	P.L. 93-486	New Area	7	0.6	242,700
Tuskeegee Institute NHS, Alabama	P.L. 93-486	New Area	6	--	122,700
TOTAL			108	28.70	3,949,000

BIG THICKET NATIONAL PRESERVE, TEXAS

Budget Justification for Items Requested for New Area

To provide initial staffing and funds for the operation of Big Thicket National Preserve, which was established under P.L. 93-439 approved October 11, 1974.

Big Thicket has been described as ecologically the most significant U.S. area still unprotected. It is a "biological crossroads" - a transition land between moist eastern woodlands, the arid southwest, tropical coastal marsh and central prairie. The Thicket contains the largest known specimen of American holly and black hickory, and provides habitat for a complex mingling of wildlife species, among them alligators, bobcats, and deer. The national preserve is made up of 12 individual units, embracing 85,000 acres which are to be acquired. A boundary determination has to be made within 6 months.

Plans are underway now to establish a Land Acquisition Office. By Fiscal 1976, the boundary will have been determined and land acquisition will be in full swing. It is extremely important that an operating staff be on site to coordinate activities involved in the early planning, development and operation of the area. As land is acquired, protection of such land will be necessary; research programs will be conducted; inventory of resources made; Resource Requirement Data prepared; input for master plans and interpretive prospectuses will be needed; and the procurement of office space, equipment, and various services will be accomplished.

As a minimum, we request that full consideration be given to the following funding and position needs for Fiscal 1976:

Personnel Service	Man-Years Permanent	Man-Years Other	Amount
Superintendent, GS-13	1	--	$23,997
Secretary, GS-6	1	--	10,421
Biologist, GS-12	1	--	20,308
Administrative Officer, GS-9	1	--	
Clerk, General, GS-5	1	--	9,349
Park Technician(Protection),GS-5	1	--	9,349
Clerk-Typist, GS-3		0.9	6,695
Personnel Benefits (10%)			8,012
Uniform Allowances			602
Subtotal, Personnel Services	6	0.9	88,733
Other Costs			
(Office equipment and furniture, travel, supplies and materials, GSA vehicle rental, utilities, etc.)			49,967
Total			138,700

BOSTON NATIONAL HISTORICAL PARK, MASSACHUSETTS

Budget Justification for Requested Items for New Park Area

On October 1, 1974, the President signed Public Law 93-431 authorizing the establishment of Boston National Historical Park. The park consists of seven areas of historical significance throughout the city. The National Park Service will operate the park with a cadre of professional, technical, and administrative positions to be located at the Charlestown Navy Yard whose purpose will be to provide support for all seven historic areas. Actual operation of the sites would be accomplished through a combination of National Park Service staffing and cooperative agreements with the organizations presently operating these units. The initial operating costs are relatively high since the Service will be taking over an ongoing operation that must be continued, particularly during the Bicentennial year. Five million visitors are expected to visit Boston NHP during the summer of 1976.

It is anticipated that both the 30-acre Charlestown Navy Yard complex and Bunker Hill will be operated by the National Park Service. Transfer of these lands is expected during Fiscal 1975.

Faneuil Hall, "the Cradle of Liberty," is owned by the City of Boston but would be leased to the National Park Service for operation, interpretation and maintenance. The Old State House, seat of government of the Province of Massachusetts Bay and later site of the Boston Massacre, would be jointly staffed by the Bostonian Society and the National Park Service.

The Old South Meeting House, site of the famous town meeting that triggered the Boston Tea Party in 1773, will continue to be owned and operated by the Old South Association. Technical assistance and maintenance funding will be an NPS responsibility.

The Paul Revere House is owned and operated by the Paul Revere Memorial Association. Technical assistance and interpretive coordination would be provided by the National Park Service.

The Old North Church, built in 1723, is the oldest church still standing in Boston. It is owned and managed by the Episcopal Church of Massachusetts. Technical assistance and interpretive coordination would be provided by the National Park Service.

Initially, extensive maintenance is needed to make the Navy buildings usable and to ensure visitor safety at the other areas. In addition, painting, cleanup, and related facelifting is required at all of the areas. This must be done in early Fiscal 1976 to prepare for the Bicentennial.

Personnel Services		Man-Year Permanent	Man-Year Other	Amount
Superintendent,	GS-14	1		$ 28,140
Historical Architect,	GS-13	1		23,997
Administrative Officer,	GS-13	1		23,997
Interpretive Specialist,	GS-13	1		23,997
Chief of Maintenance,	GS-13	1		23,997
Civil Engineer,	GS-12	1		20,308
Curator,	GS-12	1		20,308
Historian,	GS-12	1		20,308
Park Ranger,	GS-11	1		17,029
Procurement and Property Officer,	GS-9	1		14,125
Park Technicians,	GS-7	8		92,584
Administrative Clerk,	GS-7	1		11,573
Secretary Steno,	GS-6	1		10,421
Clerk-Typists,	GS-5	2		18,698
Park Technicians,	GS-5	4		37,396
Preservation Specialist,	WG-11	1		12,201
Maintenancemen,	WG-10	2		25,896
Maintenancemen,	WG-9	4		45,816
Equipment Operator,	WG-9	1		11,122
Maintenance Worker,	WG-7	1		10,707
Janitor,	WG-7	2		21,414
Maintenance Workers,	WG-5	2		19,920
Park Technicians,	GS-5		5.5	51,420
Park Technicians,	GS-4		2.5	20,888
Clerk-Typist,	GS-3		1.0	7,439
Laborers,	WG-3		2.1	19,920
Personnel benefits (10%)				63,362
Uniform allowances				5,200
Subtotal, Personnel Services		39	11.1	$702,183

Other Costs	
(Office equipment and furnishings, supplies and materials, vehicle rental, utilities, etc.)	$ 372,417
Maintenance equipment	55,500
Initial essential maintenance (structural)	287,700
Cosmetic maintenance (painting, minor repairs)	172,200
Security services contract (gateguards & watchmen)	78,000
Maintenance contracts (garbage & snow removal, grass cutting)	36,200
Subtotal, Other Costs	$1,002,017
T O T A L	1,704,200

CABRILLO NATIONAL MONUMENT, CALIFORNIA

Budget Justification for Items Requested for Boundary Change

Presidential Proclamation 4319 signed September 28, 1974, authorized the transfer of approximately 56.6 acres of Navy land to the National Park Service. This additional site will be available for use by the metropolitan area dwellers. With the transfer to the National Park Service, the military has eliminated protection activities.. We must provide personnel to assume an immediate responsibility of visitor use and conducted tours. The area runs from 460 feet high crest of Pt. Loma peninsula to the craggy ocean bluffs along the bay front. The area has abandoned bunkers and military fortifications which require attention to neutralize the hazard of public exploration. Visitors will access along a military jeep trail, which is used for hiking purposes. This will result in trailside litter and trash. This trail requires foot patrols along the 1 and ½ mile route to protect both the visitors and the land-sea environment. Daily access for trash removal, placement and cleaning of litter cans will require use of motor scooter type vehicles. Long-term military activities have left remnants and piles of unsightly refuse and buildings. A number of concrete buildings will require sealing to protect against visitor injury. Since no funds are available in the current year, Fiscal 1976 will be the first year that we can begin cleanup of the site.

Personnel Services	Man-Years Permanent	Man-Years Other	Amount
Park Technician, GS-5	2	--	$19,264
Laborer, ungraded	1	--	9,960
Personnel Benefit			2,922
Subtotal, Personnel Services	3	--	$32,146
Support Costs			
Office equipment, furniture, travel, supplies and material, vehicle rental, utilities, etc.			10,954
TOTAL			$43,100

CANAVERAL NATIONAL SEASHORE, FLORIDA

Budget Justification for Activation of the Park Area

Canaveral National Seashore was established by Public Law 93-626, approved January 3, 1975. The Canaveral National Seashore will preserve and protect the natural, scenic, scientific, ecological and historic values of approximately 67,500 acres along the Atlantic Coast north of the Kennedy Space Center launch complex. The National Park Service will have more than 20 miles of prime beach backed by a marsh and dunes system together with an extensive lagoon area at the northern tip of the new area to administer.

Initially the greatest responsibility will be working out the agreements and responsibility between NASA, the Fish and Wildlife Service and the National Park Service in administering the area. The agreements are to be in effect within 90 days of the January 3 authorization. At this time, we will assume responsibility for approximately three-fourths of the total beach area. The seashore is not truly a "new area" for we will be assuming ongoing Fish and Wildlife programs for beach operations and management. It is incumbent upon this Service to keep these highly visible programs in operation, especially in the 5 miles of already easily accessible, developed beach (with paralleling road) in the southern portion of the seashore. Added to this, we will also acquire approximately 1,088 acres in the northern portion of the NASA reservation for establishment of an operating headquarters.

The essential staffing required to activate this new area is as follows:

Personnel Services	Man-Years Permanent	Man-Years Other	Amount
Superintendent, GS-13	1	--	$23,997
Administrative Officer, GS-11	1	--	17,029
Chief, Maintenance, GS-11	1	--	17,029
Chief, Ranger (I&RM), GS-11	1	--	17,029
Secretary, GS-5	1	--	9,349
Park Ranger, GS-9	1	--	14,125
Park Technician	1	--	9,349
Maintenance Foreman	1	--	11,600
Maintenanceman	2	--	19,100
Other Than Permanent	--	6.5	45,200
Personnel Benefits (10%)	--	--	18,381
Uniform Allowance	--	--	1,600
Subtotal, Personnel Services	10	6.5	203,788
Other Costs (Office equipment and furniture, travel, supplies and materials, GSA vehicle rental, utilities, etc.			$164,412
TOTAL			$368,200

CLARA BARTON NATIONAL HISTORIC SITE, MARYLAND

Budget Justification for Items Requested
for New Park Area

Clara Barton NHS was authorized by the Congress and signed into law by the President on October 26, 1974 (P.L. 93-486). The land and improvements are to be acquired by donation.

The present owners of the property, Friends of Clara Barton Association, have expressed the desire to donate the Clara Barton Home and premises at 5801 Oxford Road in Glen Echo, Maryland, to the United States as a national historical site. It is anticipated that transfer of the title will occur in the Spring of 1975.

In addition to serving as the home of Clara Barton, founder of the American Red Cross and its first President, the house served as the first headquarters for the American Red Cross. The structure commemorates the greatest contributions of Miss Barton to the American past and became a National Historical Landmark on January 12, 1965.

In order to meet the intent of Congress, it is essential that Clara Barton NHS be preserved and be open to public visitation and use, at least to the extent that is is open at present. A Park Ranger will serve as the on-site manager. Routine maintenance, minor rehabilitation and janitorial services will be provided in addition to care of the gardens and grounds. During the first year, a curator will be assigned to catalog the historical objects and furnishings and arrange for preservative treatment as necessary.

Personnel Services		Man-Year Permanent	Man-Year Other	Amount
Park Ranger,	GS-9	1		$14,125
Curator,	GS-7	1		11,573
Maintenanceman		1		13,529
Janitor		2		20,916
Gardner		1		12,284
Laborer		-	0.5	4,980
Personnel Benefits (10%)				7,741
Uniform Allowance				650
Subtotal, Personnel Services		6	0.5	$85,798
Other Costs (Office equipment and furnishings, supplies and materials, vehicle rental, utilities, etc.)				$ 59,702
TOTAL				$145,500

CUYAHOGA VALLEY NATIONAL RECREATION AREA, OHIO

To provide initial staffing and funds for the operation of Cuyahoga Valley National Recreation Area which was authorized under P.L. 93-555 approved December 27, 1974.

Cuyahoga Valley will be established as an urban recreation park and is the last large expanse of open space left between the cities of Akron and Cleveland, Ohio. The recreation area to be established includes about 30,000 acres in its boundaries. The Cuyahoga Valley contains a number of state and local parks, historic sites and cultural centers which linked together with the Cuyahoga River and a short portion of the historic Ohio Canal will form a significant and badly needed recreation facility for the four million inhabitants of the Akron/Cleveland region.

Plans are underway now to establish a land acquisition office since it is the express intent of Congress that the land acquisition program be

substantially completed within six years. It is important that an operating staff be on site to coordinate activities involved in the early planning, development and operation of the area. As land is acquired protection and proper utilization of such land will be necessary; an inventory and evaluation of all sites and structures having present or potential historical, cultural, or architectural significance will have to be made; programs must be prepared for the preservation, restoration, interpretation and utilization of sites and structures; input for master Plans, environmental impact statements and interpretive prospectuses will be needed; and office space, equipment, and various services must be obtained.

As a minimum, we request that full consideration be given to the following funding and position needs for Fiscal 1976.

Personnel Services	Man-Year Permanent	Man-Year Other	Amount
Project Manager, GS-13	1	--	$23,997
Clerk-Stenographer, GS-5	1	--	9,349
Administrative Officer, GS-9	1	--	14,125
Personnel Benefits (10%)		--	4,747
Uniform Allowance			250
Subtotal, Personnel Services	3		52,468
Other Costs			
Office equipment and furnishings, travel, supplies and materials, GSA vehicle rental, utilities, etc.			27,532
TOTAL			$80,000

FORT NECESSITY NATIONAL BATTLEFIELD, PENNSYLVANIA

Budget Justification for Items Requested for Boundary Change

Public Law 93-477, approved October 26, 1974, authorized a boundary change adding 411 acres and also increased the land acquisition ceiling to $607,000 which will permit the purchase of approximately 149 acres within the existing park boundary.

The total addition of 560.58 acres includes 100 acres of meadowland, 400 acres of woodland, 1 mile of road, 5 miles of trails, 2 residences, 7 other permanent buildings and the detached Jumonville Glen historic area, where Major George Washington's party fired the first shots of the French and Indian War in May 1754.

Of the lands to be acquired, the National Park Foundation owns approximately 265.0 acres. It is anticipated that these lands will be transferred to the National Park Service by Fiscal 1976. Hopefully, the acquisition of the balance of the lands can begin in August or September 1975.

Upon acquisition of this property, the Service will be responsible for the protection and management of the resources. The estimated requirements for funding and staffing in Fiscal 1976 are as follows:

Personnel Services	Man-Years Permanent	Man-Years Other	Amount
Park Ranger, GS-9	1	--	$14,125
Laborer, WG-3		0.7	6,700
Fire Control Aid, GS-3		0.3	2,231
Personnel Benefits (10%)			2,306
Uniform Allowance			250
Subtotal, Personnel Services	1	1.0	$25,612
Other Costs			
Office equipment and furnishings, travel, supplies and materials, GSA vehicle rentals, utilities, etc.			13,788
Pickups, tractor, mowers, plows, and attachments			8,000
TOTAL			$47,400

GRAND CANYON NATIONAL PARK, ARIZONA

Budget Justification for Items Requested for Boundary Change

The Grand Canyon Enlargement Act, P.L. 93-620, signed January 3, 1975, added 228,700 acres to the park. Designation as a national park requires that these lands receive a more intensive level of protection and management to control activities not appropriate within a National Park. National Park Service responsibilities for fire control, safety, search and rescue, and control of backpacking within the additional lands in Fiscal 1976 will require additional staffing and funding.

The additional staffing needed includes three permanent Resource Management Specialists to more closely monitor back-country use and activities and to plan for future management of additional park resources. Resource Management problems already identified in these new lands include feral burro control, enforcement of the antiquities act, cattle trespass, protection of Bighorn lambing areas, and unauthorized use of wilderness camps and trails (violations of reservations requirements, etc.). A permanent Maintenance Worker will be needed for the Tuweap Management Unit. Seasonal staffing will be needed for maintenance of roads and trails, for visitor protection, for resource management, and for fire protection patrols.

In order to effectively patrol the many square miles of highly inaccessible back-country, aerial patrols will be needed.

Grand Canyon is already understaffed. If additional funding and staffing are not provided, no management attention can be given the newly added areas and the level of management attention given to the areas whose designation was changed from national monument to national park will continue to be minimal.

Personnel Services		Man-Year Permanent	Man-Year Other	Amount
Park Ranger, Pasture Wash	GS-9	1	--	$14,125
Park Ranger, Lees Ferry	GS-9	1	--	14,125
Park Ranger, Tuweap	GS-9	1	--	14,125
Maintenance Worker, Tuweap	WG-10	1	--	13,280
Park Technician, Thunder River	GS-5	-	1.8	16,828
Park Technician, Lees Ferry	GS-5	-	0.5	4,674
Park Technician, NW Unit	GS-5	-	1.0	9,348
Maintenance Worker, Tuweap	WG-10	-	0.5	5,810
Personnel Benefits (10%)				9,232
Subtotal, Personnel Services		4	3.8	$101,547
Other Costs				
Office equipment, furniture, travel, supplies and material, vehicle rental, utilities, etc.				111,553
Aerial Patrols -- 1,500 hours				83,300
TOTAL				$296,400

JOHN DAY FOSSIL BEDS NATIONAL MONUMENT, OREGON

Budget Justification for Items
Requested for New Park Areas

John Day Fossil Beds National Monument was authorized by Public Law 93-486, approved October 26, 1974. The monument is comprised of three detached units with a total area of approximately 14,000 acres. Of this total, roughly 9,600 acres are now either in Bureau of Land Management or State ownership. The transfer of these lands is now in process and is expected to be accomplished by March 1, 1975. The balance of the land is in private ownership. The legislation limits fee acquisition of private lands to 1,000 acres except by donation and exchange. It is proposed to acquire scenic easements on the rest of the private land within the authorized area.

The State lands to be transferred include three existing and operational State Parks. It is proposed to continue the operation of the facilities in these parks until the development plan for the monument progresses. State Park attendance estimates for 1973 show visitation of 250,000. This established use dictates that these facilities remain operational until we are in a position to provide alternatives.

The most significant natural feature of the area is numerous and varied in-place fossil displays, depicting an unusually extensive period of earth history. In order to fulfill our responsibility in providing visitor services, we must begin at once to locate, research, protect, and provide interpretation of these paleontological resources.

In summary, we will, prior to the beginning of the Fiscal 1976, have jurisdiction of approximately 9,600 acres, in three separate units. Included are three existing operational campgrounds with an estimated annual use of 200,000. Within the boundaries are fragile paleontological displays which are internationally known and which present an unusual opportunity for interpretation.

Operational plans for Fiscal 1976 place emphasis on establishing custodial protection of the area, establishing community relations, maintaining minimum visitor services at least at the level existing in the State Parks, and initiating interpretive services.

It will be necessary to establish a temporary office in the town of John Day, Oregon, staffed by a Superintendent, Clerk-Steno, and an Interpretive Specialist. The focus of the Superintendent's office at the beginning will be to establish working relationships among the National Park Service and local citizens and governmental bodies. He will also assume management control of the area, providing for immediate visitor services and programming for future years. The Interpretive Specialist will be responsible for locating and planning the immediate interpretation of the most accessible fossil displays and will work on basic data for the development of a full interpretive program in future years. Because the most significant features of the area point to an educational rather than recreational experience, interpretation will be of primary importance.

The monument itself consists of three units: Sheep Rock, Clarno, and Painted Hills. Sheep Rock, the proposed eventual headquarters site, is approximately 40 miles from Painted Hills and over 70 miles from Clarno. Each of these units contains an existing State Park with basic camping facilities. Each also contains fossil beds which have been subject to collecting and vandalism and over which it is essential to establish immediate protection. Portions of the area are also traditional hunting areas--mostly for deer. With the assumption of jurisdiction by the National Park Service, hunting will be prohibited, with resulting enforcement problems. The areas are presently used for other recreational uses, such as fishing. The terrain is rugged and visitor protection is a factor.

Initial staffing proposed for the three units consists of a permanent Park Ranger at Sheep Rock, a permanent Park Ranger at Clarno, and a seasonal Park Ranger at Painted Hills. These employees will necessarily be men of all work, operating and maintaining campgrounds, protecting the fossil beds, performing onsite interpretation, conducting hunting patrols, providing for visitor safety and assisting in planning and programming for future years. No coverage is provided for lieu days or leave periods.

Personnel Services	Man-Years Permanent	Other	Amount
Superintendent, GS-11	1	--	$17,029
Clerk-Stenographer, GS-5	1	--	9,349
Interpretive Specialist, GS-9	1	--	14,125
Park Ranger, GS-9	2	--	28,250
Park Ranger, GS-4		0.4	3,342
Personnel Benefits (10%)			7,009
Subtotal, Personnel Services	5	0.4	$79,104

Other Costs

Office equipment, furniture, travel, supplies and material, GSA vehicle rental, utilities, etc.	$ 65,896
TOTAL	$145,000

KNIFE RIVER INDIAN VILLAGES NATIONAL HISTORIC SITE, NORTH DAKOTA

Budget Justification for Items Requested
for New Park Area

Knife River Indian Villages NHS was authorized by the Congress on October 26, 1974 (P.L. 93-486). In order to cope with the extremely sensitive public relations problems which already occur in this sparsely populated community, it is imperative that a manager be brought on duty as soon as possible. This manager will establish public relations, set up general management policies for the new area, and gather additional information on management plans and conduct public meetings. He will also coordinate all activities needed in setting up Knife River Indian Villages NHS as a National Park.

During Fiscal 1976 subsequent to the acquisition of land, an archeological research effort will commence in thoroughly mapping the surface and subsurface of the historic and archeological resources. The river bank at the River Hidatsa site critically needs stabilization and will require onsite direction by the Area Manager.

Public relations will continue to be of utmost importance and will occupy a large portion of the Area Manager's time. An interim interpretive prospectus must be prepared in order to explain the Hidatsa Indian culture to the visiting public. Protection of these five pristine Indian villages will remain of prime concern.

Hopefully all lands will be acquired in Fiscal 1976. There are 19 tracts of land consisting of about 1,300 acres of land. The State of North Dakota will donate approximately 41 acres of land to the park in Fiscal 1976. Primarily the onsite manager and his part-time assistant will be responsbile for protecting these lands and attached resources. The archeologist position will be needed to help prepare the interpretive prospectus and set up visitor interpretive programs as well as meet the visitors.

Personnel Services	Permanent	Man-Years Other	Amount
Park Management Specialists, GS-9	1	--	$14,125
Archeologist, GS-9	1	--	14,125
Park Ranger (Interpretation), GS-4		0.3	2,508
Park Archeologist (Interpretation), GS-4		0.3	2,508
Clerk-Typist, GS-3	-	0.3	$ 2,232
Personnel Benefits (10%)			3,550
Uniform Allowance			500
Subtotal, Personnel Services	2	0.9	$39,548
Other Costs (Office equipment and furniture, travel, supplies and materials, vehicles, etc.)			24,452
TOTAL			$64,000

MARTIN VAN BUREN NATIONAL HISTORIC SITE, NEW YORK

Budget Justification for Items Requested
for New Areas

Martin Van Buren NHS was authorized by the Act approved October 26, 1974 (P.L. 93-486) to preserve Lindenwald, the home of the eighth President of the United States. The site consists of 42 acres and two historic structures. Twenty-two acres and the buildings will be purchased from the current owner, the National Park Foundation, early in Fiscal 1976. The remaining twenty acres will be in scenic easements.

Since the previous owner has occupancy rights through 1976, the National Park Service would establish only a small start-up staff. These employees would be attached to an existing National Park Service unit (possibly Roosevelt-Vanderbilt) for administrative and technical support services. The interpretive services program will be setup in the following years.

However, major maintenance must be initiated during 1976, as well as the establishment of a routine maintenance program, in order to hold the current physical status and to prevent further deterioration until such time as development and major rehabilitation can be scheduled.

The 36-room mansion needs roof repairs and furnace system modification and shoring up of brick walls outside. The grounds have received no care for three years. The gatehouse also needs a new roof to prevent further damaging of the interior.

Personnel Services		Man-Years Permanent	Other	Amount
Project Manager,	GS-11	1		$ 17,029
Maintenance Worker,	WG-9	1		11,371
Laborer,	WG-3	-	1.0	9,213
Clerk-Typist,	GS-4	-	0.9	8,355
Personnel Benefits (10%)				4,597
Uniform Allowances				325
Subtotal, Personnel Services		2	1.9	$ 50,890
Other Costs				
(Office equipment and furniture, travel, supplies and materials, GSA vehicle rental, utilities, etc.)				$ 17,010
Initial Major Maintenance				112,000
Maintenance Equipment				18,200
Recurring Maintenance Operations				26,700
Subtotal, Other Costs				173,910
TOTAL				$224,800

MORRISTOWN NATIONAL HISTORICAL PARK, NEW JERSEY

Budget Justification for Items Requested for Boundary Change

Under provision of Public Law 93-477, signed on October 26, 1974, the boundaries of Morristown NHP are to be revised to include an additional 184 acres. This new area near the New Jersey Brigade Site brings the total size of the park to 465 acres. The purpose is to provide for better protection and management of the entire Revolutionary War Park.

These lands and improvements, known as The Old Cross Estate, are now owned and being held for sale to the United States by the Northern New Jersey Conservation Foundation. It is anticipated that purchase will occur during Fiscal 1975.

An additional park technician and maintenance worker are needed to properly protect and maintain the additional area.

Personnel Services	Man-Years Permanent	Other	Amount
Park Technician, GS-5	1	--	$9,349
Maintenance Worker, WG,7	1	--	11,371
Personnel Benefits (10%)			2,072
Uniform Allowances			225
Subtotal, Personnel Services	2		23,017

Other Costs (Office equipment and furnishings, supplies and materials, vehicle rental, utilities, etc.	5,800
Structural Maintenance	34,483
Subtotal, Other Costs	40,283
Total	63,300

PISCATAWAY PARK, MARYLAND

Budget Justification for Items Requested
for Boundary Change

An extension to the boundaries of Piscataway Park was enacted into law on October 15, 1974 (P.L. 93-444) with the purpose of acquiring certain lands across the Potomac River from Mount Vernon, in order to assure the integrity of the view from the home of the Nation's first President. In excess of 600 acres in Prince Georges and Charles Counties, Maryland, including the Marshall Hall Amusement Park, the Fort Washington Marina and adjacent lands are included.

The Act provided that full title be vested in the United States upon enactment with the right of immediate possession of the real property. The Government is to pay just compensation to the former owners and to allow for the orderly termination of all operations and removal of equipment, facilities, and personal property, with the stipulation that the amusement park shall not operate beyond January 1, 1980.

The Act requires that a development plan be prepared which will assure public access and use of the newly acquired lands. Funding for this plan will be requested in the Fiscal 1976 budget. The lands will be maintained in a caretaker status through 1976 and until such time as the development plan is implemented.

It is contemplated that the marina operations will continue in the meantime, and negotiations are now underway with the current operators concerning a concession arrangement. The intentions of the amusement park owners are not known at this time, but the park will probably operate during the summer of 1975 at least. The public currently has access to these lands and, thus, protection and sanitation services must be provided. Three additional maintenance personnel are needed to prevent unhealthy situations from developing. Park Police will be provided from the existing Fort Washington contingent,and Ranger services will be absorbed at Piscataway.

Personnel Services	Man-Year Permanent	Man-Year Other	Amount
Maintenance worker	1		$11,690
Laborers	2		21,912
Personnel Benefits (10%)			3,306
Uniform Allowances			300
Subtotal, Personnel Services	3		37,208

Other Costs (Supplies and materials, office equipment and furniture, travel, vehicle, etc.)	$26,992
Total	64,200

ROCKY MOUNTAIN NATIONAL PARK, COLORADO

Budget Justification for Items Requested
for Boundary Change

In October 1974, Congress passed and the President signed into law (Public Law 93-477), legislation increasing the boundaries of Rocky Mountain National Park by 1,556 acres. Included in this acquisition are a number of residences, buildings, fences, utility systems and other physical facilities. In order to protect, interpret, operate and maintain these facilities, personnel and funds are required beyond the level now available to the park.

As of January 1, 1975, the park will have possession of this property and will, at that time, assume full responsibility for its management and operation which presently is being performed by the Nature Conservancy, a non-profit organization closely allied with the National Park Service on acquisitions of this type.

The park will require funding for one additional permanent maintenanceman to operate and maintain the homestead, barn fences, and other physical facilities comprising the Holzworth Ranch which has been nominated as a historical structure and which the park has a duty to preserve and maintain.

A Park Ranger for 0.3 man-year will be required to safeguard structures; protect the additional resources as a result of the 1,556 acre increase which includes the historic Holzworth Ranch. This same person will also assist other existing temporary park personnel in the interpretation of the Holzworth Ranch.

One maintenance laborer is needed to maintain fences, walks and trails and other minor maintenance work.

Personnel Services	Man-Years Permanent	Others	Amount
Maintenanceman, WB-10	1	--	$11,100
Park Ranger, GS-5		0.4	3,760
Maintenance Worker, WB-3		0.2	2,200
Personnel Benefits			171
Uniform Allowances			225
Subtotal, Personnel Services	1	0.6	17,456

Other Costs (Supplies and materials, office equipment and furniture, travel, vehicle, etc.)	12,544
Total	30,000

SEWALL-BELMONT HOUSE NATIONAL HISTORIC SITE, WASHINGTON, D.C.

Budget Justification for Items Requested
for New Park Area

Sewall-Belmont House NHS was authorized by Public Law 93-486, enacted October 26, 1974. The Act authorizes the Secretary of the Interior to enter into a Cooperative Agreement to assist in the preservation and interpretation of the House. Negotiations for an agreement will begin in January 1975 with the National Women's Party.

The Sewall-Belmont House is located at 114 Constitution Avenue, N.E., in Washington, D.C. It has served since 1929 as the headquarters of the National Women's Party, founded by Alice Paul. Ms. Paul was a leading advocate and activist in the women's rights movement whose enthusiasm and efforts were instrumental in securing passage of the constitutional amendment granting women the right to vote. In addition to the significance of the house to the women's rights movement, it has historic significance as the residence of Albert Gallatin, Secretary of the Treasury under Presidents Jefferson and Madison, and is believed to be the site of the only active resistance to the British Army in 1814 after the Battle of Bladensburg in their march on Washington. The property dates back to an original land grant in 1632 to Cecilius Calvert, second Lord Baltimore.

It is anticipated that the National Park Service will provide the interpretative and maintenance services directly with National Park Service employees under the direction of an on-site Park Ranger. A curator will catalog historical objects and furnishings and arrange for preservative treatment as needed. The curator will be phased out in favor of further interpretive staffing in the following year after cataloguing is completed.

Personnel Services		Man-Year Permanent	Man-Year Other	Amount
Park Ranger,	GS-9	1		$ 14,125
Curator,	GS-9	1		14,125
Park Technician,	GS-5	2		18,698
Maintenanceman		1		12,829
Maintenance worker		1		11,690
Janitor		2		20,576
Park-Aid,	GS-3	-	0.5	7,439
Personnel benefits (10%)				9,948
Uniform allowance				1,000
Subtotal, Personnel Services		8	0.5	110,430
Support Costs				
(Office equipment and furniture, travel, supplies and materials, vehicle rental, utilities, etc.)				$ 58,370
TOTAL				$ 168,800

SPRINGFIELD ARMORY NATIONAL HISTORIC SITE, MASSACHUSETTS

Budget Justification for Items Requested for New Area

Springfield Armory NHS was authorized by Public Law 93-486, approved October 26, 1974. The Armory is the oldest manufacturing arsenal in the United States. The Law requires that an agreement be executed prior to establishment of the site that will assure the historical integrity of the site, and this will be accomplished prior to Fiscal 1976.

The unit, consisting of approximately 55 acres, will operate with permanent National Park Service staffing. Two cooperative agreements will define the specific National Park Service maintenance and preservation responsibilities for the 2,000 shoulder arms collection and the relationship with the Springfield Technical Community College which is located within the boundaries of the site. The College will be responsible for the preservation of historic buildings and grounds on their property and will provide certain utilities and maintenance support to the park, on a reimbursable basis. Interpretation and maintenance of the arsenal will be the responsibility of the National Park Service.

The area is currently open to the public and must remain so. However, maintenance of the historic buildings has been deferred for many years, and major rehabilitation of the structures is needed during the first year to properly preserve the Armory.

Personnel Services		Man-Year Permanent	Man-Year Other	Amount
Project Manager,	GS-11	1		$ 17,029
Clerk-Typist,.	GS-5	1		9,349
Maintenance Worker,	WG-9	2		22,825
Curator,	GS-9	1		14,125
Park Technician,	GS-5	2		9,349
Park Technician,	GS-4	-	0.6	5,013
Personnel benefits (10%)				7,769
Uniform allowances				700
Subtotal, Personnel Services		7	0.6	86,159

Other Costs	
(Office equipment and furniture, supplies and materials, vehicle rental, utilities, etc.)	$ 32,841
Initial Major Maintenance	112,500
Continuous Grounds Maintenance	11,200
Subtotal, Other Costs	156,541
T O T A L	$ 242,700

TUSKEEGEE INSTITUTE NATIONAL HISTORIC SITE, ALABAMA

Budget Justification for Activation of the Park Area

Tuskegee Institute authorized on October 26, 1974, Public Law 93-486 is an active educational institution having an annual enrollment in excess of 3,000 with a faculty numbered at approximately 375, and a potential maximum enrollment of 3,500. A cooperative agreement with the Institute Trustees is in the draft stage. The agreement is expected to be finalized by June 1975. A Superintendent and a small staff then is needed in order to establish and operate interpretive programs, and to accept maintenance responsibilities.

Tuskegee Institute's story begins with the introduction of Black slavery in the United States. When the Civil War ended, the Negro was free but he was not equal. Culture destroyed, disoriented, he was generally uneducated, of low economic status, had little political influence, and was successfully made to be seen by fellow citizens as inferior in almost every way.

The historic site consists of four elements:

1. "Grey Columns," the Varner-Alexander Home, an antebellum mansion, will include interpretive facilities as well as the headquarters for administration.

2. "The Oaks," the home of Booker T. Washington, will have interpretive walking tours.

3. "Carver Museum," location of George Washington Carver's Laboratory, will also be open to the public for interpretation.

4. "The Campus," includes a historic district which is one of the subjects of the cooperative agreement between the National Park Service and the Institute Trustees.

The essential staffing required to activate this new area is as follows:

Personnel Services	Man-Years Permanent	Other	Amount
Superintendent, GS-12	1	--	$20,308
Park Ranger (Historian), GS-09	1	--	14,125
Clerk-Stenographer, GS-05	1	--	9,349
Maintenance Foreman	1	--	8,800
Maintenanceman	1	--	8,800
Gardner	1	--	7,700
Personnel Benefits (10%)			6,908
Uniform Allowances			602
Subtotal, Personnel Services	6	--	76,592
Other Cost (Office equipment and furniture, travel, supplies and materials, GSA vehicle rental, utilities, etc.)			46,108
Total			122,700

DUAL DILEMMA

Secretary REED. I am in no way complaining that I haven't been treated fairly in the formulation of our budgets. I realize that in the formulation of the budget before you, for example, that the Nation was faced with simultaneous runaway inflation and growing recession.

The attention of the administration and the Congress has been, and should be, focused on such major problems as well as the need for energy. Consequently, the importance of protecting our Nation's flora, fauna, natural habitat and cultural resources is of necessity, being assigned a lower priority. We are, accordingly, maximizing our efforts in a few of our most critical program areas.

The National Park Service, established in 1916, today manages and protects 287 of the 302 units in the 50 States, the District of Columbia, Puerto Rico, and Virgin Islands. Legislative enactments have shaped the National Park System into three categories—natural, historical, and recreational.

FISCAL YEAR 1976 BUDGET REQUEST

For fiscal year 1976, the Service appropriation request is $346.8 million, an overall increase of $3.7 million. In fiscal year 1976, the Service will be placing major emphasis on operating programs with particular emphasis on Bicentennial activities. In order to do this we decided to reduce our capital improvement—or development, or construction—program in recognition that we needed to readjust our planning, design and construction schedules necessary for future general Service development programs. For the past 3 years, we have been concentrating on a $110 million construction program in those national park service units that were designated Bicentennial units.

With your assistance, we will be ready throughout the system to provide for the special events commemorating the growth and development of our Nation. We expect increased visitation and will be ready to handle our part in this significant celebration.

MANAGEMENT VERSUS DEVELOPMENT

Foremost in our minds is our responsibility to manage the use of the national parks, monuments, and other units in the system so as to conserve the scenery, natural and historic objects, and wildlife. At the same time, we know that we must provide for their enjoyment in such a manner as will leave them unimpaired for the enjoyment of future generations.

A $15 million net redirection from a capital improvement to an operations appropriation doesn't sound like a major decision, but the National Park Service is desperately lean. If they are to manage and protect the system properly as they have in the past, this transfer of emphasis is a reality which I had to face.

Secretary Morton, Gary Everhardt, and I are particularly sensitive to the delicate balance which must be struck between preservation and use, and the need of maintaining that balance at individual units of the National Park System.

HISTORIC PRESERVATION

The Service administers a historic preservation program that warrants your specific attention. Many of the historic treasures reach a jeopardy stage. I daresay that more and more of them are close to that situation. We share the responsibility for preservation with the States and the National Trust for Historic Preservation. In this regard, the Service administers a grant program on a matching basis with them. In fact, since 1966, a total of $52.3 million has been appropriated for direct grants to help preserve the historic fabric of this Nation.

Mr. Chairman, this completes my rather brief highlight statement. My associates and I will be glad to discuss with you any program or policy that may be of interest to you and the other members of this committee. Director Everhardt also has a statement on his budget request.

Thank you, Mr. Chairman.

OPERATING EMPHASIS VERSUS REDUCED DEVELOPMENT

Senator BYRD. Thank you, Mr. Secretary.

As with the Fish and Wildlife Service, this budget request appears to sacrifice development to pay for operating increases, despite a $3 billion development backlog. Would you comment on the considerations that went into this decision?

Secretary REED. You are quite correct, Mr. Chairman. The demands that came to us in midsummer on funding levels which did not allow significant increases in the National Park System or the fish and wildlife system, unless the program needs were energy related and a decision had to be made in later summer and early fall as to where we were going to put—on what part of our system we were going to put our emphasis.

As operations were beginning to slip and deteriorate rapidly, I made the decision that I wanted to be honest with the Congress and with the American people on operations, and to do that, required the sacrifice of the construction budget. This is quite accurate in your analysis. This is true, also, of the Fish and Wildlife Service budget. I have no regrets.

I am absolutely confident in my own mind, working with a new Director and working with the regional directors of the National Park Service and the senior superintendents, that we have made the right decision as painful as it may be.

NEWLY AUTHORIZED AREAS

Senator BYRD. As you mentioned a few moments ago, there are several new areas of the park system under legislation enacted in the 93d Congress. What consideration was given to them in formulating this budget?

Secretary REED. None, sir, because they were passed after we had prepared our budget. So the new areas of which there were 11 and 6 boundary changes for a total of 17 areas, are not included in any way in this budget.

BICENTENNIAL EMPHASIS

Senator BYRD. The Park Service is clearly stressing Bicentennial activities in this budget. You referred to this in your opening statement. Can you give us assurances that, in developing this emphasis, other im-

portant phases of the park system were not neglected, and will not be neglected?

Secretary REED. I can't give you that assurance. We made the difficult decision 4 years ago when the administration faced a very fractured approach to the Bicentennial, which never got pulled together. It is being pulled together now by Chairman Warner. Had we had him 4 years ago, perhaps we would have had a better program. We looked over the scene, and OMB and the White House agreed the most likely areas where we would have a successful Bicentennial program was within the eastern areas of the National Park Service. But we did sacrifice for 4 consecutive years almost all development elsewhere. We had been promised that in this budgetary cycle as we finished up the Bicentennial areas that we would maintain a plateau of development money which would pick up in the South, Southwest, central Northwest, and Alaska, the eight items that had been dropped during the 4 years that the Bicentennial was given total priority.

Unfortunately, the fiscal constraints of the Government are such that, under OMB directives, we are not able to live up to that commitment.

It is a curious combination of the Bicentennial and the need to clean up the pollution within the parks following the Executive order of 1968 or 1969, that for 8 years practically all development money has been spent either on pollution abatement or on the Bicentennial. So many of the parks have not had a development dime spent in them for a minimum of 8 years; in fact, the majority of the parks.

DEFERRED DEVELOPMENT PROJECTS

Senator BYRD. What are some of the items that were dropped?

Secretary REED. Visitors' centers, trailwork, parking. Mostly new facilities for the visitor to enhance his visit, and I can furnish you, Mr. Chairman and the members of the committee, a list of development items which are considered very high priority on the backlog, especially in the new park areas where we have now finished the acquisition of land, but we have not added a single facility since authorization by the Congress.

Senator BYRD. All right, if you would supply that and also supply with it the funding figures that would be necessary to proceed with these development items. I believe you submitted that earlier.

What will be the overall impact in the future on these phases that were neglected?

Secretary REED. It is very hard for me to say. Until we have a better understanding of what the economy is going to be like in July or August, we have certainly no guidelines as to what our budget policy is going to be in this next fiscal year.

We have got to, if we are going to operate the 11 new areas and the 6 boundary changes authorized by the Congress last year, ask for some more operational money. Not a great deal, but we will need some to operate Big Thicket, Boston, Canaveral, Clara Barton, Fort Necessity, the new boundaries extensions at Grand Canyon, John Day, Knife River, and I can go on, with a certain hard core permanent force which we can surround with less than full-time employees to at least get these authorized areas open. But at the moment I have no assurance as to what the budgetary climate will be.

PUBLIC SERVICE JOBS VERSUS PROJECT EMPLOYMENT

Senator BYRD. These deferred projects would create needed jobs. Why not fund this kind of employment instead of public service jobs?

Secretary REED. We were asked by OMB to develop both public service—or job opportunity program—and a capital investment program and they chose the job opportunity route.

Senator BYRD. Why did they choose that route?

Secretary REED. I don't know, sir.

Senator BYRD. They didn't give you any explanation?

Secretary REED. No, sir, they didn't. I assume that the ability to implement a non-Federal labor intensive program within 30, 60, or 90 days was a material factor.

Senator BYRD. What is the comparison between the number of jobs in the two categories and also the funding?

Secretary REED. I would have to give you an analysis of that. We can certainly furnish that for the record, Mr. Chairman.

Senator BYRD. Can you give us some idea at this time as to the number of jobs that would be provided by going ahead with the deferred development projects as against the number of jobs that would be provided in the job opportunity program employment?

Mr. EVERHARDT. In the job opportunity program, Mr. Chairman, we presented a figure of $40.5 million which would probably put in the neighborhood of 3,500 people to work at public service-type jobs to accomplish a number of deferred maintenance projects in high unemployment areas, either by contract or by direct employment.

Senator BYRD. We are talking about the deferred costs.

Mr. EVERHARDT. Construction is generally accomplished through contract with a minimal of permanent staff being involved. There would be staffing requirements once certain construction items were completed. For example, completion of a visitor center would necessitate personnel for it to become operational.

Senator BYRD. You are talking about $40 million and 3,500 jobs going the job opportunity route?

Mr. EVERHARDT. Yes, sir.

Senator BYRD. Well, this committee is in the process of recommending substantial appropriations for backlog work and job opportunities in the emergency employment appropriations bill. What are we talking about if we don't defer the development projects, if we went down that route?

Secretary REED. I can't put a handle on that at this time. I would like to be able to wrestle with that. It depends upon how much money you would put into such construction. It would dictate the numbers of people put to gainful employment. I am sure there is a formula and I would like to provide the information for the record.

Senator BYRD. What would $40 million do?

Secretary REED. It would do wonders, Mr. Chairman.

Senator BYRD. But in terms of jobs?

Secretary REED. It would produce a minimum of 500 jobs.

Senator BYRD. We are talking about 500 jobs as opposed to 3,500?

Secretary REED. I am sure it would be more than 500. I can't give you that figure of what employment would be associated with $40

million in development construction. It is very difficult to come up with a figure.

I know you are asking for a good contrast of what that money could be spent for. I don't know what a contract for a building, a visitor's center or for a series of roads or stabilization of ground that is in trouble, I suppose each contract would in a sense be quite individual as to the number of employees it would take to accomplish the job and how much would be spent on materials. But I think we could give you a more adequate breakdown. I believe the $40 million development program would certainly gainfully employ in the neighborhood of 3,500 non-Federal employees. It would be approximately the same ratio as for the job opportunity program, I would imagine.

COSTS RELATING TO DEFERRAL OF DEVELOPMENT PROJECTS

Senator BYRD. What happens to the overall cost by virtue of delay?

Secretary REED. Costs are escalating. They have been escalating at a very rapid rate of between 12 and 15 percent a year and this has been going on now for at least 6 years, on the average. It is going out of sight. The development backlog keeps mounting at an ever escalating rate despite the fact that we have eliminated a great number of projects from the backlog. We are still faced with staggering backlog figures.

Senator BYRD. You will supply the list of deferred projects?

Secretary REED. Yes.

Senator BYRD. And the funding to go with each?

Secretary REED. Yes.

[The information follows:]

HIGH PRIORITY DEVELOPMENT ITEMS IN THE DEVELOPMENT BACKLOG

Emphasis on development in the officially designated Bicentennial areas has deferred development in other areas of the System, except for a few critical projects.

There is enclosed a listing of the highest priority projcts in the Service's total Development Backlog. This list, totaling $518 million, is considered an accomplishable level program over a 5-year period.

PROGRAMMING & BUDGET DIV WASO

NATIONAL PARK SERVICE
PARK VISITOR SERVICE/RESOURCE PROTECTION DEVELOPMENT NEEDS
BY REGION, PARK AND PACKAGE
(DOLLARS IN THOUSANDS)

REGION / PARK	PACKAGE TITLE	PACKAGE	P&C CONSTRUCTION	ROAD CONSTRUCTION	TOTAL
MIDDLE ATLANTIC REGION					
ALLEGHENY PORT RR NHS	AUTO TOUR OF ALLEGHENY PORTAGE RAILROAD	129	0	37	37
	****TOTAL, ALLEGHENY PORT RR NHS		0	37	37
APPOMATTOX CRT HSE NHP	REPLACE WATER LINE & CHLORINATOR-CONST RD	001	99	141	240
	COMPLETE RESTORATION MARIAH WRIGHT HOUSE	103	61	2	63
	RESTORE RICHMOND-LYNCHBURG STAGE ROAD	105	8	317	325
	RESTORE HISTORIC FURNISHINGS MCLEAN HOUSE	117	21	0	21
	REROOF MAINT BUILDING & 6 HIST STRUCTURES	121	19	0	19
	****TOTAL, APPOMATTOX CRT HSE NHP		208	460	668
BOOKER T WASHINGTON NM	CONST EMPLOYEE RESIDENCE-UTILITIES-ETC	101	347	37	384
	****TOTAL, BOOKER T WASHINGTON NM		347	37	384
COLONIAL NHP	MOVE & RENOVATE HOUSES FOR PARK QUARTERS	103	115	0	115
	REHAB EXISTING PARK QUARTERS (18)	116	240	0	240
	CONSTR MAINTENANCE AREA FACILITY & ENT RD	117	1,800	424	2,224
	BUILDING REMOVAL (10) GROUNDS IMP-50 ACRE	124	309	0	309
	RELOCATE UTILS (UNDERGROUND) 7 LOCATIONS	132	1,237	0	1,237
	RENOVATE YORKTOWN NATIONAL CEMETERY	144	64	0	64
	SHORELINE PROT ALONG JAMES RIVER-1500 LF	177	344	0	344
	RELOCATE & CONSTR RT 238 YORKTOWN BATTFLD	222	0	1,026	1,026
	PAVEMENT REPAIR YORKTOWN TO JAMESTOWN	228	0	133	133
	****TOTAL, COLONIAL NHP		4,109	1,583	5,692
DELAWARE WATER GAP NRA	COMPLETE EXH MILLBROOK HOTEL-VIS CONT STA	101	43	0	43
	DEV BEACH & RECREATION FACIL.-HIDDEN LAKE	104	846	0	846
	REHAB OF SHINGLE FARM BUILDINGS (5)	114	42	0	42
	REHAB SCHOOLHOUSE-GRNDS & OLD MINE RD-EXH	121	90	24	114
	REHAB GREEK REVIAL & UPPER TREIBLE HOUSES	165	64	0	64
	****TOTAL, DELAWARE WATER GAP NRA		1,085	24	1,109
FORT MCHENRY NM & HS	RESTORE HISTORIC GROUND COVER	109	21	0	21
	****TOTAL, FORT MCHENRY NM & HS		21	0	21
FORT NECESSITY NB	UNDERGROUND POWER TRANSMISSION LINES	112	160	0	160
	HIGHWAY DIRECTIONAL SIGNING	134	18	0	18
	****TOTAL, FORT NECESSITY NB		178	0	178
FRED SPOT NMP	SIGN AND WAYSIDE EXHIBIT PLAN	147	21	0	21
	****TOTAL, FRED SPOT NMP		21	0	21
GEO WASH BIRTHPLACE NM	CONSTR RANGER STATION & QUARTERS	103	96	11	107
	CONSTR MAINT BLDG-EQUIP STORAGE-UTILITIES	108	536	96	632
	****TOTAL, GEO WASH BIRTHPLACE NM		632	107	739
GETTYSBURG NMP	REHAB PEACE LIGHT MEMOR ROADS, WALKS&GRDS	118	32	75	107

(DOLLARS IN THOUSANDS)

REGION / PARK	PACKAGE TITLE	PACKAGE	P&C CONSTRUCTION	ROAD CONSTRUCTION	TOTAL
MIDDLE ATLANTIC REGION					
GETTYSBURG NMP	REHAB INTERIM VIS CTR-RDS-WALKS-UTIL-GRDS	136	416	293	709
	CONSTR PARKING AREA-WATER SYSTEM-GRNDS IM	137	194	32	226
	****TOTAL, GETTYSBURG NMP		642	400	1,042
GLORIA DEI NHS	LANDSCAPING GROUNDS-COMPLETION	102	451	0	451
	****TOTAL, GLORIA DEI NHS		451	0	451
HOPEWELL VILLAGE NHS	RESTORATION OF IRONMASTERS HOUSE	102	1,704	8	1,712
	ACQ OF FURNISHINGS FOR RECONTR CAST HOUSE	114	26	0	26
	REMODEL VIST CENTER MAINT ANNEX GROUNDS	123	1,077	35	1,112
	INSTALL INTRUSN & FIRE ALARM-9 HIST BLDGS	125	69	0	69
	UNDERGRND ELECT & TELE LINES-ENTRANCE RD	134	62	0	62
	****TOTAL, HOPEWELL VILLAGE NHS		2,938	43	2,981
INDEPENDENCE NHP	CONSTRUCT MAINTENANCE BUILDING & FACILITY	111	1,760	0	1,760
	RESORE HIST FULTON HOUSE & GRDS IMPROVE	126	3,452	187	3,639
	****TOTAL, INDEPENDENCE NHP		5,212	187	5,399
JOHNSTOWN FLOOD NMEM	WAYSIDE EXHIBITS DEPICTING FLOOD OF 1889	116	38	0	38
	****TOTAL, JOHNSTOWN FLOOD NMEM		38	0	38
PETERSBURG NB	RENOVATE POPLAR GROVE NATIONAL CEMETERY	103	181	3	184
	REMODEL CARETAKERS QUARTERS-POP GROVE CEM	121	45	0	45
	CONSTRUCT ENTRANCE SIGN	124	13	0	13
	RESURFACE TOUR ROAD 4.5 MILES & PARKG LOT	127	0	621	621
	NEW EXHIBITS FOR LIVING HISTORY PROGRAM	138	3	0	3
	****TOTAL, PETERSBURG NB		242	624	866
RICHMOND NBP	INSTALL AUTO TOUR TAPE	119	30	0	30
	****TOTAL, RICHMOND NBP		30	0	30
SHENANDOAH NP	CONSTRUCT AMPHITHEATER	103	260	19	279
	REPLACE SEWAGE DISPOSAL SYSTEM	108	2,117	10	2,127
	CONSTRUCT SEWAGE TREATMENT PLANT	238	2,288	10	2,298
	CONSTRUCT SEWAGE TREATMENT PLANT	239	2,272	10	2,282
	CONSTRUCT SEWAGE TREATMENT PLANT	240	2,419	10	2,429
	****TOTAL, SHENANDOAH NP		9,356	59	9,415
	****TOTAL, MIDDLE ATLANTIC REGION		25,510	3,561	29,071

(DOLLARS IN THOUSANDS)

REGION / PARK	PACKAGE TITLE	PACKAGE	P&C CONSTRUCTION	ROAD CONSTRUCTION	TOTAL
MIDWEST REGION					
AGATE FOSSIL BEDS NM	CONSTR 4-EMPLOYEE RESIDENCE W/UTILITIES	102	192	24	216
	INSTALL RADIO SYSTEM & RELAY STATION	103	34	0	34
	DESIGN & CONSTR ENTRANCE & INTERP SIGNS	108	28	0	28
	CONSTR INTERPRETIVE FACILITY AND TRAILS	114	197	152	349
	DESIGN & CONSTRUCT WAYSIDE EXHIBITS	120	10	0	10
	****TOTAL, AGATE FOSSIL BEDS NM		461	176	637
APOSTLE ISLANDS NL	CONSTR VISITOR & ADMIN FACILITIES - QTRS	106	1,866	1,894	3,760
	MARINA AND MAINTENANCE FACILITIES	108	1,389	1,528	2,917
	SHORELINE TRAILING, WAYSIDE EXHIBITS&SIGNS	110	0	240	240
	****TOTAL, APOSTLE ISLANDS NL		3,255	3,662	6,917
EFFIGY MOUNDS NM	EXPAND VISITOR CENTER & MAINTENANCE BLDG.	105	181	0	181
	****TOTAL, EFFIGY MOUNDS NM		181	0	181
FORT LARNED NHS	PROTECT DETACHED TRAIL RUTS	105	6	77	83
	RESTORE BUILDINGS 3,4,5,7	125	1,640	0	1,640
	MAINTENANCE BUILDING	132	202	0	202
	FIRE SPRINKLER SYSTEM	143	48	0	48
	RESTORE BUILDINGS H B 2 & 6	152	613	0	613
	DEVELOP WAYSIDE EXHIBITS	154	45	0	45
	EXHIBITS & AV PROGRAM FOR HISTORIC BLDG#1	155	246	0	246
	****TOTAL, FORT LARNED NHS		2,800	77	2,877
FT SCOTT HISTORIC AREA	RESTORE-RECONSTR & GRD OUTLINE-COMPLETION	107	314	0	314
	RECONSTR INFANTRY & DRAGOON BARRACKS	108	281	0	281
	RESTORE OFF QTS-INT FURNISHINGS & AV	109	443	0	443
	RECONSTRUCT-RELOCATE AND LANDSCAPE FINAL	110	285	0	285
	****TOTAL, FT SCOTT HISTORIC AREA		1,323	0	1,323
GEO WASH CARVER NM	RESTORE MOSES CARVER HOME	104	80	0	80
	CONSTRUCT TORNADO SHELTER	106	21	0	21
	CLIMATE-CONTROLLED ARTIFACTS ROOM	107	26	0	26
	****TOTAL, GEO WASH CARVER NM		127	0	127
GEORGE ROGERS CLARK NHP	SIGNS & MARKERS CITY OF VINCENNES	105	24	0	24
	****TOTAL, GEORGE ROGERS CLARK NHP		24	0	24
GRAND PORTAGE NM	DELINEATE & INTERPRET FT. CHARLOTTE	103	14	0	14
	WAYSIDE DEVELOPMENT	120	5	0	5
	****TOTAL, GRAND PORTAGE NM		19	0	19
HERBERT HOOVER NHS	REFURBISH 9 HISTORIC HOUSES	110	560	0	560
	RESTORE & FURNISH HISTORIC STRUCTURES	111	216	0	216
	REHABILITATE SCHOOLHOUSE	134	72	0	72
	****TOTAL, HERBERT HOOVER NHS		848	0	848

(DOLLARS IN THOUSANDS)

REGION / PARK	PACKAGE TITLE	PACKAGE	P&C CONSTRUCTION	ROAD CONSTRUCTION	TOTAL
MIDWEST REGION					
HOMESTEAD NM OF AMERICA	WAYSIDE EXHIBITS	124	8	0	8
	****TOTAL, HOMESTEAD NM OF AMERICA		8	0	8
ICE AGE NSR	PRODUCE ORIENTATION MOVIE	102	85	0	85
	DESIGN & CONSTR INTERPRETIVE EXHIBITS	103	95	0	95
	DESIGN & CONSTR INTERPRETIVE EXHIBITS	104	114	0	114
	DESIGN & CONSTR INTERPRETIVE EXHIBITS	105	80	0	80
	INTERPRETIVE HIGHWAY WAYSIDES	106	14	0	14
	INTERPRETIVE EXHIBITS	107	16	0	16
	INTERPRETIVE EXHIBITS	108	16	0	16
	INTERPRETIVE EXHIBITS	109	24	0	24
	INTERPRETIVE EXHIBITS	110	24	0	24
	INTERPRETIVE EXHIBITS	111	16	0	16
	NPS SHARE OF DEVELOPMENT FUNDS	113	243	0	243
	****TOTAL, ICE AGE NSR		727	0	727
INDIANA DUNES NL	CONSTR PICNIC AREA & COMFORT STATION	201	245	0	245
	CONSTR ENTRANCE STATION & MAINT BUILDING	202	693	48	741
	HISTORIC TRAIL & CEMETARY RESTORATION	203	61	38	99
	CONSTR PICNIC AREA-TRAIL-SIGNS- & MARKERS	205	0	16	16
	LONG LAKE OVERLOOKS & TRAILS	214	16	48	64
	RESTORE CHELLBERG FARM WITH TRAILS	219	2,080	480	2,560
	INTERPRETIVE CENTER - OVERLOOKS - TRAILS	220	141	160	301
	GROUP DAY USE SHELTERS & COMFORT STATIONS	222	272	40	312
	ROADS-PARKING-UTILITIES & BEACH HOUSE	224	1,920	1,120	3,040
	VISITOR ORIENTATION CENTER	225	40	0	40
	OVERLOOKS, BOARDWALKS & PICNIC SITES	226	80	320	400
	COMPLETION OF TRAIL SYSTEM	234	272	536	808
	US HIGHWAY 12 SCENIC PARKWAY	262	0	3,200	3,200
	****TOTAL, INDIANA DUNES NL		5,820	6,006	11,826
ISLE ROYALE NP	QUARTERS REHABILITATION & FIRE SYSTEM	102	48	0	48
	INSTALL BOAT SEWAGE DISCHARGE STATION	103	8	0	8
	CONSTR WATER INTAKE & STORAGE SYSTEM	106	98	0	98
	REHAB EDISEN FISHERY BUILDING	125	56	0	56
	CONSTRUCT COMFORT STATION-UTIL-LANDSCAPNG	132	48	0	48
	ENLARGE EXISTING CAMPGROUNDS (14)	144	136	32	168
	INSTALL FUEL STORAGE FACILITIES	149	480	0	480
	EXPAND SEWAGE SYSTEM	150	112	0	112
	****TOTAL, ISLE ROYALE NP		986	32	1,018
JEFFERSON N E M NHS	ARCH VISITOR CENTER ORIENTATION ROOM	137	24	0	24
	GRADING, SEEDING & TOPSOIL	146	1,422	0	1,422
	CONSTR IRRIGATION SYSTEM	147	534	0	534
	****TOTAL, JEFFERSON N E M NHS		1,980	0	1,980

(DOLLARS IN THOUSANDS)

REGION / PARK	PACKAGE TITLE	PACKAGE	P&C CONSTRUCTION	ROAD CONSTRUCTION	TOTAL
MIDWEST REGION					
LINCOLN BOYHOOD NMEM	VIST CENTER PKG AREA VIST CENTER	101	56	248	304
	****TOTAL, LINCOLN BOYHOOD NMEM		56	248	304
LINCOLN HOME NHS	REMOVAL OF INTRUSIVE BUILDINGS	166	58	0	58
	RELOCATE CORNEAU HOUSE TO ORIGINAL SITE	167	200	0	200
	RESTORE ROBINSON HSE & RECONSTR CARR. HSE	186	106	0	106
	STRUCTURAL STABILIZATION LINCOLN HOME	189	272	0	272
	REHAB OF EXISTING BLDG FOR PARK HEADQTRS	191	416	0	416
	RESHINGLE & REROOF LINCOLN HOME	192	32	0	32
	ATMOSPHERIC CONTROL SYSTEM LINCOLN HOME	195	120	0	120
	EXTERIOR RESTORATION OF LINCOLN HOME	196	240	0	240
	****TOTAL, LINCOLN HOME NHS		1,444	0	1,444
LOWER SAINT CROIX RIVER	CONSTR HIGH BRIDGE INFORMATION CENTER	151	266	74	340
	****TOTAL, LOWER SAINT CROIX RIVER		266	74	340
MOUND CITY GROUP NM	ENLRG VIS CTR & EXPND	103	717	0	717
	STABILIZE RIVER BANK PARK GENERAL	110	30	0	30
	MAINTENANCE BLDG. ADDITION PARK GENERAL	111	22	0	22
	EXCAVATE VERIFY & RESTORE MOUNDS-3-7-8-18	122	19	0	19
	EXHIBIT REPLACEMENT VISITOR CENTER	136	130	0	130
	****TOTAL, MOUND CITY GROUP NM		918	0	918
OZARK NSR	CONST COMF STATIONS & INFO BULLETIN BOARD	121	197	0	197
	ROAD PAVING, SIGNS & LANDSCAPING	175	0	192	192
	ROADS, PARKING & SITE DEVELOPMENT	209	46	640	686
	SEAL OLD WATER WELLS	217	120	0	120
	CONSTR COMPLETE UTILITY SYSTEM & COMF STA	235	736	0	736
	PEA VINE ROAD RECONSTRUCTION	236	0	544	544
	****TOTAL, OZARK NSR		1,099	1,376	2,475
PERRY'S VICTORY & IPM	MEMORIAL COLUMN REHABILITATION	101	874	0	874
	REHABILITATION OF SEAWALL AND GROUNDS	102	3,371	0	3,371
	COLUMN ILLUMINATION S	103	64	0	64
	CONSTRUCT VISITOR CENTER & ADMIN OFFICE	104	502	40	542
	WATER-SEWAGE TREATMENT	109	496	0	496
	SCREENING PARK BOUNDARIES	110	32	0	32
	****TOTAL, PERRY'S VICTORY & IPM		5,339	40	5,379
PICTURED ROCKS NL	DEV MINERS CASTLE ENT RD-PARKING COMF STA	101	222	643	865
	DEV SAND PT SWIM BEACH BATHHOUSE-PIC SITE	104	518	438	956
	RESTORE BLDG FOR VISITOR CTNR-AUSABLE PT	107	190	166	356
	CONSTR INTERP FACILITY MUNISING FALLS	108	419	80	499
	DEVELOP VISITOR FACILITIES-MINERS BEACH	118	826	752	1,578
	AU SABLE FALLS TRAIL&PARKING AREA (25CAR)	134	11	125	136
	****TOTAL, PICTURED ROCKS NL		2,186	2,204	4,390

(DOLLARS IN THOUSANDS)

REGION / PARK	PACKAGE TITLE	PACKAGE	PEC CONSTRUCTION	ROAD CONSTRUCTION	TOTAL
MIDWEST REGION					
SAINT CROIX NSR	CONSTR PRIMITIVE CAMP SITES AT 10 LOCATNS	104	384	94	478
	CONSTR CANOE LANDING & WALK-IN CAMPGROUND	107	106	30	136
	RIVER REHAB REMOVE(4) BRIDGES OBLI 12 M RD	114	224	133	357
	RADIO INSTALLATION	121	176	0	176
	****TOTAL, SAINT CROIX NSR		890	257	1,147
SCOTTS BLUFF NM	VISITOR CENTER REMODELING	101	112	0	112
	ENTRANCE RDS AND PARKINGHDQ	104	0	363	363
	UNDERGROUND POWER LINE	116	173	0	173
	****TOTAL, SCOTTS BLUFF NM		285	363	648
SLEEPING BEAR DUNES NL	CONSTR VISITOR CENTER EXH-AV-PARKING-RDS	117	2,136	675	2,811
	CONSTR RANGER STAT-SHELTERS-BOAT FAC UTIL	127	1,280	293	1,573
	****TOTAL, SLEEPING BEAR DUNES NL		3,416	968	4,384
VOYAGEURS NP	CONSTR VISITOR BOAT MAINT FACILITY & QTRS	122	2,173	246	2,419
	CONSTR DIST OFFICE VIS CENTER-MAINT AREA	130	1,200	800	2,000
	****TOTAL, VOYAGEURS NP		3,373	1,046	4,419
WILLIAM HOWARD TAFT NHS	REHABILITATE TAFT BIRTHPLACE	101	994	16	1,010
	CONSTR PARKING AREA-LIGHTING ACCESS WALKS	103	0	325	325
	****TOTAL, WILLIAM HOWARD TAFT NHS		994	341	1,335
WILSON'S CREEK NB	CONSTR HDQTS VIS CENTER MAINT AREA & ATRS	104	1,355	285	1,640
	TOUR ROAD & HIST. SITE RESTOR. (PHASE 1)	105	125	704	829
	****TOTAL, WILSON'S CREEK NB		1,480	989	2,469
	****TOTAL, MIDWEST REGION		40,305	17,859	58,164

(DOLLARS IN THOUSANDS)

REGION / PARK	PACKAGE TITLE	PACKAGE	P&C CONSTRUCTION	ROAD CONSTRUCTION	TOTAL
NORTH ATLANTIC REGION					
ACADIA NP	REHAB PROJ BOOTH & CONSTR COMFORT STATION	103	130	0	130
	RESURFACE OCEAN DRIVE ROAD, 6.5 MILES	117	0	488	488
	CONSTRUCT NEW COMFORT STATIONS (5)	119	224	8	232
	POWER LINE RECONSTRUCTION	120	48	0	48
	CONSTR PICNIC TYPE COMFORT STATION	123	48	0	48
	CONSTRUCT INFORMATION STATION & RESTROOMS	133	144	0	144
	RESURFACE 4 MILES OCEAN DRIVE (PORTION)	145	0	320	320
	REMODEL GARAGE AND INSTALL HYDRAULIC LIFT	183	48	0	48
	RECONSTRUCT SEWER LINES, LOOP A, 1000 FT	185	27	0	27
	****TOTAL, ACADIA NP		669	816	1,485
CAPE COD NS	CONSTR INTERPRETIVE LOOPWALKWAY & EXHBTS	104	32	270	302
	DUNE STABILIZATION	106	301	0	301
	DEVELOPMENT ATWOOD HIGGINS COMPLEX	108	179	146	325
	CONSTRUCT BICYCLE TRAIL-8 MILES	110	0	406	406
	CONSTR WAYSIDE EXHIBITS, SIGNS & MARKERS	111	140	0	140
	RESURFACE PRIMARY ROAD 2.3 MILES	114	0	309	309
	DEVELOP FORT HILL INTERPRETIVE COMPLEX	117	186	58	244
	ARCHEOLOGICAL INVESG & CONSTR WAYSIDE EXH	133	15	0	15
	DEVELOPMENT NAUSET LIGHT BEACH COMPLEX	138	160	160	320
	INTERPRETIVE EXHIBIT MARCONI SITE	142	44	0	44
	CONSTR WAYSIDE EXHIBIT AT VISITOR CENTER	149	55	3	58
	CONSTR INTERPRETIVE PANEL, SALT POND V.C.	150	10	0	10
	****TOTAL, CAPE COD NS		1,122	1,352	2,474
EDISON NHS	REPLACE ELECTRICAL SYSTEMS-12 BUILDINGS	101	480	0	480
	CONSTRUCT NEW SANITARY & STORM SEWER SYTM	103	66	0	66
	INSTALL FIRE & INTRUSION DETECTION SYSTMS	112	160	0	160
	CONSTR VISITOR PARKING & COMFORT STATION	115	38	34	72
	****TOTAL, EDISON NHS		744	34	778
FEDERAL HALL NMEM	CLEANING EXTERIOR OF BLDG	103	80	0	80
	****TOTAL, FEDERAL HALL NMEM		80	0	80
FIRE ISLAND NS	OBLITERATE BUILDINGS-STRUCTURES & CLEANUP	102	144	0	144
	CONSTRUCT MAINLAND VISITOR & HQ FACILITY	169	8	0	8
	STUDY & PRESERVATION WILLIAM FLOYD ESTATE	174	269	0	269
	****TOTAL, FIRE ISLAND NS		421	0	421
FORT STANWIX NM	ACQUIRE CANNONS AND FURNISHINGS FOR FORT	101	216	0	216
	RECONSTRUCT HISTORIC FORT (COMPLETION)	103	800	80	880
	****TOTAL, FORT STANWIX NM		1,016	80	1,096
GATEWAY NRA	REHAB VISITOR FACILITIES JACOB RIIS PARK	107	6,864	0	6,864
	RESURF RDS & PRKNG, REHAB BLDGS & GROUNDS	109	422	1,600	2,022
	DEVELOP VISITOR FACILITIES, SANDY HOOK	110	1,559	422	1,981

(DOLLARS IN THOUSANDS)

REGION PARK	PACKAGE TITLE	PACKAGE	PGC CONSTRUCTION	ROAD CONSTRUCTION	TOTAL
NORTH ATLANTIC REGION					
GATEWAY NRA	CENTRAL PROMENADE-OBLITERATION & SITE RES	112	960	0	960
	ENVIRONMENTAL STUDY AREA WILDLIFE REFUGE	114	926	755	1,681
	****TOTAL, GATEWAY NRA		10,731	2,777	13,508
GENERAL GRANT NMEM	CONSTR RESTROOMS & STORAGE SPACE IN MEM.	105	144	0	144
	****TOTAL, GENERAL GRANT NMEM		144	0	144
HAMILTON GRANGE NMEM	MOVE HOUSE & RESTORE HAMILTON GARNGE	102	587	0	587
	****TOTAL, HAMILTON GRANGE NMEM		587	0	587
HOME OF FDR NHS	INSTALL FIRE & INTRUSION DETECTION SYSTEM	107	312	0	312
	****TOTAL, HOME OF FDR NHS		312	0	312
LONGFELLOW NHS	REHAB LONGFELLOW HOUSE AND REMODEL SHED	113	288	0	288
	****TOTAL, LONGFELLOW NHS		288	0	288
MINUTE MAN NHP	ARCHEOLOGY AND STABILIZATION	131	18	0	18
	****TOTAL, MINUTE MAN NHP		18	0	18
MORRISTOWN NHP	DEMOLISH NON-HISTORIC BLDGS-RESTORE SITE	129	40	0	40
	DEMOLISH BLDGS & RESTORESITE	132	32	0	32
	****TOTAL, MORRISTOWN NHP		72	0	72
ROGER WILLIAMS NMEM	CONSTRUCT VISITOR CONTACT FACILITY	103	237	40	277
	****TOTAL, ROGER WILLIAMS NMEM		237	40	277
SAGAMORE HILL NHS	REPLACE HEAT, AIR CONDITION IN THE TR HOME	103	115	0	115
	****TOTAL, SAGAMORE HILL NHS		115	0	115
SAINT-GAUDENS NHS	CONSTR NEW WATER SYSTEM & RESERVOIR	101	261	13	274
	****TOTAL, SAINT-GAUDENS NHS		261	13	274
SALEM MARITIME NHS	CONSTRUCT PARKING FACILITY-CENTRAL WHARF	107	0	302	302
	REMODEL BLDG FOR VIS CTR ADMIN-MAINT FAC.	108	932	0	932
	RESTORATION-WEST INDIA GOODS STORE	128	61	0	61
	RESTORATION -HAWES HOUSE	129	5	0	5
	****TOTAL, SALEM MARITIME NHS		998	302	1,300
SARATOGA NHP	REDESIGN & RELOCATE FIRE PUMP NEAR V.C.	134	40	0	40
	CONSTRUCT EMERGENCY EQUIPMENT BUILDING	136	88	19	107
	****TOTAL, SARATOGA NHP		128	19	147
SAUGUS IRON WORKS NHS	REHABILITATION OF IRON WORKS BUILDINGS	101	1,037	0	1,037
	REHAB IRON MASTER'S HOUSE	114	687	0	687
	FURNISHINGS FOR BLAST FURNACE, FORGE-MILL	116	3	0	3
	****TOTAL, SAUGUS IRON WORKS NHS		1,727	0	1,727

(DOLLARS IN THOUSANDS)

REGION / PARK	PACKAGE TITLE	PACKAGE	PGC CONSTRUCTION	ROAD CONSTRUCTION	TOTAL
NORTH ATLANTIC REGION					
ST CROIX ISLAND NM	PARKING AREA & SITE DEVELOPMENT-MAINLAND	101	320	162	482
	CONST DOCK & PKG AREA ST CROIX MAINLD	102	280	0	280
	CONSTRUCT DOCKING FACILITIES-ON ISLAND	103	160	0	160
	****TOTAL,ST CROIX ISLAND NM		760	162	922
STATUE OF LIBERTY NM	ACQUIRE BOAT-TWIN ENG FOR WATER TRANSPORT	103	624	0	624
	INSTALL RADIO SYSTEM	104	43	0	43
	REPAIR & POINTING OF FORT WOOD	122	192	0	192
	REMODEL ELEVATOR	124	160	0	160
	EMERGENCY ELEC. SYSTEM, CONCESSION BLDG	125	96	0	96
	REPAIR PASSENGER DOCK	128	344	0	344
	CONSTRUCT DOCK SHELTER & RANGER STATION	129	400	0	400
	PROTECTION OF MAIN BUILDING ELLIS ISLAND	143	1,120	0	1,120
	****TOTAL,STATUE OF LIBERTY NM		2,979	0	2,979
THEO ROOSEVELT BPL NHS	MUSEUM REHABILITATION	108	456	0	456
	****TOTAL,THEO ROOSEVELT BPL NHS		456	0	456
VANDERBILT MANSION NHS	REBUILD BRIDGE&BOUNDARY STONE WALLS	109	173	0	173
	UNDERGRND TELE & PWR LNSVANCERBILT	112	56	0	56
	INSTALL FIRE & INTRUSION DETECTION SYSTEM	119	1,920	0	1,920
	****TOTAL,VANDERBILT MANSION NHS		2,149	0	2,149
	****TOTAL,NORTH ATLANTIC REGION		26,014	5,595	31,609

BY REGION, PARK AND PACKAGE
(DOLLARS IN THOUSANDS)

REGION / PARK	PACKAGE TITLE	PACKAGE	P&C CONSTRUCTION	ROAD CONSTRUCTION	TOTAL
NATIONAL CAPITAL PARKS					
ANTIETAM NBS	EXPAND VISITOR CENTER	102	120	0	120
	REPLACE FENCES	103	568	0	568
	RESTORE BLOODY LANE (PORTION)	190	5	29	34
	REHAB SHERRICK FARMSTEAD AND RENOVATION	191	256	0	256
	MUMMA FARM RESTORATION	193	6	0	6
	INSTALL EXHIBITS & AV & SECURITY SYST MUS	202	152	0	152
	****TOTAL,ANTIETAM NBS		1,107	29	1,136
C & O CANAL NHP	INSTALL SYMBOL SIGNING THROUGHOUT PARK	154	0	160	160
	WILLIAMSPORT DEVELOPMENT AREA	169	8	50	58
	DAM 5 DEVELOPMENT AREA	172	408	0	408
	FERRY HILL RENOVATION ADMINISTRATIVE OFFS	206	320	0	320
	RECONSTRUCT & STABILIZE CANAL FACILITIES	219	9,600	0	9,600
	****TOTAL,C & O CANAL NHP		10,336	210	10,546
CATOCTIN MTN PARK	WIDEN ROADWAY AND EXTEND SHOULDERS	101	0	560	560
	BUILDING REPLACEMENT CAMP GREENTOP	107	2,106	0	2,106
	BUILDING REPLACEMENT MISTY MOUNT	108	1,146	0	1,146
	IMPROVE WATER SUPPLY SYSTEM CAMP GREENTOP	109	162	0	162
	REPLACE WATER DISTRIB SYSTEM HDQTRS AREA	110	93	0	93
	BLDG REPLACEMENT CAMP ROUND MEADOW	125	1,106	0	1,106
	****TOTAL,CATOCTIN MTN PARK		4,613	560	5,173
GEO WASH MEM PKWY	DEVELOP MAINTENANCE FACILITY	114	344	24	368
	LANDSCAPE LADY BIRD JOHNSON PARK (COMPL)	126	800	0	800
	CONSTR COMFORT STA (WO JIMA & NETHLND CAR	138	120	0	120
	PICNIC FACL IMPRVMT COLLINGWOOD AREA	139	88	120	208
	CONSTRUCT FOOT TRAILS	151	0	232	232
	CONSTR PEDESTRIAN BRIDGE TO TR ISLAND	170	0	640	640
	DYKE MARSH RESTORATION	178	1,088	0	1,088
	UPGRADE & WIDEN BIKE TRAIL	181	0	361	361
	****TOTAL,GEO WASH MEM PKWY		2,440	1,377	3,817
GREENBELT PARK	UNDERGROUND ELECTRIC SERVICE	102	136	0	136
	BOUNDARY FENCING - GREENBRIAR PROJECT	120	40	0	40
	****TOTAL,GREENBELT PARK		176	0	176
HARPERS FERRY NHP	REHAB BLDGS 8 9 10 11 12 12A & 15	110	3,680	0	3,680
	RESTORE STREETS & SIDEWALKS,LOWER TOWN	112	480	0	480
	RESTORE JOHN BROWN FORT	113	656	0	656
	REHAB BLDGS 3 37 38 40 + 43	115	1,872	0	1,872
	AIR CONDITION MATHER CENTER BUIDLINGS	116	381	0	381
	RENOVATE PAYMASTER HOUSE	119	102	0	102
	RECONSTRUCT ARSENAL BUILDING	127	608	0	608
	****TOTAL,HARPERS FERRY NHP		7,779	0	7,779

(DOLLARS IN THOUSANDS)

REGION PARK	PACKAGE TITLE	PACKAGE	P&C CONSTRUCTION	ROAD CONSTRUCTION	TOTAL
NATIONAL CAPITAL PARKS					
MANASSAS NBP	CONSTRUCT TOUR ROAD,NORTH CENTRAL SECTION	102	29	218	247
	INSTALL BURGLAR & FIRE ALARM SYSTEMS	103	48	0	48
	RESTORE HENRY & ROBINSON HOUSES	104	77	0	77
	RESTORE SUDLEY POST OFFICE	105	51	0	51
	****TOTAL,MANASSAS NBP		205	218	423
NCP-EAST	CONSTRUCT COMMUNITY RECR FACIL KENILWORTH	101	0	480	480
	GENERAL PARK DEVELOPMENT	103	422	194	616
	RESTORE AND STABILIZE HISTORIC FORT	106	752	0	752
	SHORELINE STABILIZATION PISCATAWAY PK	112	400	0	400
	KENILWORTH ESA AND RECREATIONAL DEV	153	5,152	480	5,632
	MARINA DEV ANACOSTIA RIVER	155	1,760	640	2,400
	DEVELOP NEIGHBORHOOD PARK,RESERVATION 718	156	48	0	48
	INSTALL LIGHTS & SPRINKLER SYST,FOLGER PK	160	66	0	66
	****TOTAL,NCP-EAST		8,600	1,794	10,394
NCP-WEST	RENOVATE ADKIN BLDG ADJ TO FORD'S THEATER	103	158	0	158
	INSTALL HEAT & AIR CONDITIONING	104	178	0	178
	INSTALL NEW LIGHT, FOUNTAIN #4	117	43	0	43
	ENLARGE COMFORT STATION	122	179	0	179
	INSTALL SPRINKLER SYSTEM ELLIPSE GROUNDS	133	400	0	400
	RECONST OHIO DR & WALKS	140	0	1,056	1,056
	CONSTRUCT SCULPTURE GARDENS (COMPLETION)	145	2,000	0	2,000
	CONSTRUCT 2 FOUNTAINS ON THE ELLIPSE	174	733	0	733
	REHABILITATE REFLECTING POOL & WALKS	179	1,272	320	1,592
	RECONSTRUCT FACILITIES FORD'S THEATER	195	160	0	160
	REIMBURSE FED RESERVE FOR KELLY PARK DEV	202	752	0	752
	MODERNIZE CARTER BARRON AMPHITHEATER	204	400	0	400
	RETAINING WALLS & POLLUTION CONTROL	206	1,174	0	1,174
	CONSTR FOOT & BIKE TRAILS & BRIDGES	213	0	359	359
	CONSTR PARK POLICE SUBSTATION	215	880	0	880
	INSTALL BICYCLE TRAIL LIGHTING	217	320	0	320
	INSTALL INCREASED CAPACITY SEWER LINE	226	40	0	40
	CONSTRUCT PARKING LOT AND STONE PATH	228	0	160	160
	CONSTR 4 KIOSKS-GRVES 2,10,200 & CRTR BRO	233	32	0	32
	CONSTR STUDENT LAB ROCK CR NATURE CENTER	234	80	0	80
	CONSTR NATR TRAIL FOR HANDCPD NCP NAT CTR	235	0	24	24
	INSTALL AUTOMATIC IRRIGATION SYSTEM	237	120	0	120
	CONSTR GUARD RAILS BIKE TRAIL ALONG PRKWY	238	0	48	48
	INSTALL 7 SPRINKLER SYSTEMS,SMALL RSRVTNS	239	150	0	150
	INSTALL 3 MANUAL SPRINKLER SYSTEMS	240	32	0	32
	RECONSTR & REALIGN L STREET BRIDGE	243	0	1,280	1,280
	REHAB OF MERIDIAN HILL PARK	244	3,200	800	4,000
	INSTALL FIRE PROTECTION SYSTEM,WHI HSE	246	80	0	80
	IMPROVE ELECTRICAL SYSTEM WHITE HOUSE	247	1,600	0	1,600
	IMPROVE A/C SYSTEM, EXECUTIVE RESIDENCE	248	1,280	0	1,280

(DOLLARS IN THOUSANDS)

REGION PARK	PACKAGE TITLE	PACKAGE	P&C CONSTRUCTION	ROAD CONSTRUCTION	TOTAL
NATIONAL CAPITAL PARKS					
NCP-WEST	IMPROVE SECURITY SYSTEM WHITE HOUSE	249	368	0	368
	WHITE HOUSE AND ENVIRONS DEVELOP CONCEPT	251	8,400	0	8,400
	MAINTENANCE AREA IMPROVEMENT WHITE HOUSE	254	384	0	384
	REMODELING WORK & STORAGE AREAS WHITE HSE	255	160	0	160
	CONSTRUCT NEW WAREHOUSE	259	4,800	0	4,800
	EXPAND AND REHAB MAINTENANCE FACILITY	265	320	160	480
	CONSTR HANDICAPPED CHILDREN PLAY AREA	266	56	0	56
	REHAB DC WAR MEMORIAL	267	280	120	400
	LANDSCAPE MAINE AVE PEDESTRIAN MALL	269	176	0	176
	****TOTAL,NCP-WEST		30,207	4,327	34,534
PRINCE WILLIAM FOR PK	REHAB CABIN CAMP #1	135	3,845	0	3,845
	REHABILITATION CABIN CAM #2	136	3,966	0	3,966
	CONSTRUCT 2 PICNIC PAVILIONS	140	88	0	88
	MANUFACTURE & INSTALL NEW PARK SIGNS	141	70	0	70
	CONSTR 4 SWIMMING POOLS,CABIN CAMPS	144	1,322	0	1,322
	CONSTR MAINTENANCE FACIL	145	320	0	320
	CONSTRUCT PICNIC FACIL, PINE GROVE AREA	146	174	275	449
	EXPAND TURKEY RUN RIDGE GROUP CAMPGROUND	147	88	125	213
	CONSTR VISITOR INFORMATION-HDQTRS BLDG	148	531	160	691
	UPGRADE PRESENT RADIO SYSTEM	149	48	0	48
	CONSTRUCT BIKE TRAIL, 15 MILES	150	0	1,056	1,056
	****TOTAL,PRINCE WILLIAM FOR PK		10,452	1,616	12,068
WOLF TRAP FARM PARK	MAINTENANCE BUILDING	103	196	49	245
	CONSTRUCT VISITOR PAVILION AND ADMIN FAC	104	1,649	0	1,649
	PICNIC AREAS & TRAILS	106	389	66	455
	INSTALL FIRE PROTECTION SYSTEM,FILENE CTR	109	104	0	104
	PROVIDE WEATHER PROTECTION, FILENE CENTER	110	244	0	244
	CONSTRUCT PROJECTION BOOTH, FILENE CENTER	112	162	0	162
	CONCESSION FACILITIES	119	550	0	550
	ORCHESTRA SHELL FOR FILENE CENTER STAGE	120	153	0	153
	****TOTAL,WOLF TRAP FARM PARK		3,447	115	3,562
	****TOTAL,NATIONAL CAPITAL PARKS		79,362	10,246	89,608

(DOLLARS IN THOUSANDS)

REGION PARK	PACKAGE TITLE	PACKAGE	PEC CONSTRUCTION	ROAD CONSTRUCTION	TOTAL
PACIFIC NORTHWEST REGION					
COULEE DAM RA	REPLACE GANGWAYS-DOCKS- FINGER FLOATS	108	960	0	960
	****TOTAL, COULEE DAM RA		960	0	960
CRATER LAKE NP	BITUMINOUS PAVING OF EXISTING ROADS	124	0	1,696	1,696
	INTERPRETIVE RADIO SYSTEM	153	18	0	18
	****TOTAL, CRATER LAKE NP		18	1,696	1,714
CRATERS OF THE MOON NM	MAINTENANCE GARAGE EXTENSION	118	64	0	64
	****TOTAL, CRATERS OF THE MOON NM		64	0	64
FORT CLATSOP NMEM	VISITOR CENTER IMPROVEMENT	104	165	0	165
	****TOTAL, FORT CLATSOP NMEM		165	0	165
FORT VANCOUVER NHS	EXPAND ROOF SHELTER - MAINTENANCE AREA	127	32	0	32
	INCLUDES DESIGN COSTS FILM	128	109	0	109
	****TOTAL, FORT VANCOUVER NHS		141	0	141
GLACIER BAY NM	BARTLETT COVE DOCK EXPANSION	106	371	0	371
	PRODUCE EXHIBITS GLACIER BAY LODGE	128	80	0	80
	CONSTRUCT EXHIBITS FOR CRUISE SHIPS	130	32	0	32
	****TOTAL, GLACIER BAY NM		483	0	483
KATMAI NM	CONSTRUCT 3-ONE ROOM PAN-ABODE QTRS UNITS	120	96	0	96
	****TOTAL, KATMAI NM		96	0	96
LAVA BEDS NM	INTERPRETIVE RADIO SYSTEM	149	11	0	11
	****TOTAL, LAVA BEDS NM		11	0	11
MOUNT MCKINLEY NP	CONSTR POLYCHROME PASS COMFORT STATION	101	128	0	128
	FUEL PUMPING STATION - HOTEL AREA	116	256	0	256
	ELECTRICAL WIRING REHAB BUILDINGS	128	338	0	338
	****TOTAL, MOUNT MCKINLEY NP		722	0	722
MOUNT RAINIER NP	TRAIL REHABILITATION	103	0	480	480
	SLOPE STABILIZATION - GLACIER HILL &	124	0	1,382	1,382
	ROADSIDE EXHIBITS	136	12	0	12
	CONSTRUCT WATER RETEN- TION TANK	141	48	0	48
	CONVERT TO WALK-IN CAMPGROUND	179	16	0	16
	CONST NEW SEWAGE LAGOON AND ROCK FILTER	209	64	0	64
	CONST FIRE PROTECTION SYS IN PARADISE INN	211	160	0	160
	****TOTAL, MOUNT RAINIER NP		300	1,862	2,162
NEZ PERCE NHP	CONSTR VISITOR CENTER MAINT AREA-RD SYS	102	2,588	784	3,372
	CONSTRUCT INTERPRETIVE SHELTER	104	70	0	70
	****TOTAL, NEZ PERCE NHP		2,658	784	3,442

(DOLLARS IN THOUSANDS)

REGION PARK	PACKAGE TITLE	PACKAGE	PGC CONSTRUCTION	ROAD CONSTRUCTION	TOTAL
PACIFIC NORTHWEST REGION					
NORTH CASCADES NP	WESTSIDE ORIENTATION CTR	104	44	0	44
	CONSTRUCT NEWHALEM CAMP-GROUND	124	1,885	880	2,765
	TRAIL RECONSTRUCTION - SKAGIT	230	0	288	288
	TRAIL RECONSTRUCTION - STEHEKIN VALLEY	239	0	288	288
	CONSTR VISITOR CONTACT STA-INCL. HOUSING	240	104	0	104
	****TOTAL,NORTH CASCADES NP		2,033	1,456	3,489
OLYMPIC NP	QUEETS-REPLACE SALMON RIVER BRIDGE	106	0	661	661
	TRAIL RECONSTRUCTION #2	110	0	160	160
	CONSTRUCT PATROL CABINS	120	70	0	70
	REPLACE RADIO COMMUNICA-TIONS SYSTEM	127	536	0	536
	REHAB RESORT FACILITIES FACILITIES	130	102	0	102
	SEWAGE TREATMENT FACILITY & COMFORT STAT	137	272	0	272
	REPLACE DICKEY RIVER BRIDGE	140	0	318	318
	SHELTERS REMOVAL	172	23	0	23
	****TOTAL,OLYMPIC NP		1,003	1,139	2,142
SAN JUAN ISLAND NHP	CONSTRUCT VISITOR CENTER-ROADS-UTIL-SYSS	101	833	112	945
	RELOCATE AND STABILIZE PICKETT HOUSE	122	133	0	133
	****TOTAL,SAN JUAN ISLAND NHP		966	112	1,078
SITKA NHP	SEWAGE EXPANSION VISITOR CENTER	102	77	0	77
	HISTORIC BUILDING RESTORATION	115	320	0	320
	****TOTAL,SITKA NHP		397	0	397
	****TOTAL,PACIFIC NORTHWEST REGION		10,017	7,049	17,066

(DOLLARS IN THOUSANDS)

REGION / PARK	PACKAGE TITLE	PACKAGE	P&C CONSTRUCTION	ROAD CONSTRUCTION	TOTAL
ROCKY MOUNTAIN REGION					
ARCHES NP	RECONST WATER AND SEWER SYSTEM	109	590	0	590
	****TOTAL, ARCHES NP		590	0	590
BADLANDS NM	PAVE SAGE CREEK RIM ROAD, 15 MILES	118	0	1,600	1,600
	BISON FENCE	119	656	0	656
	ENLARGE PARKING AREA, REROUTE 0.5 MI. US16A	127	0	483	483
	INSTALL 7 INFORMATION BROADCASTERS	142	56	0	56
	FEE COLLECTION STATIONS & APPURT. (COMPL)	143	640	117	757
	****TOTAL, BADLANDS NM		1,352	2,200	3,552
BENT'S OLD FORT NHS	RECONSTRUCT FORT (COMPLETION)	109	32	0	32
	SITE IMPROVEMENT	110	0	160	160
	****TOTAL, BENT'S OLD FORT NHS		32	160	192
BIG HOLE NB	INSTALL VIS CTR FIRE & BURG PROT SYSTEM	118	16	0	16
	****TOTAL, BIG HOLE NB		16	0	16
BIGHORN CANYON NRA	CONSTR RANGER CONTACT STA, PHASE-2	139	53	3	56
	CONSTRUCT VAULT TOILETS	148	35	0	35
	****TOTAL, BIGHORN CANYON NRA		88	3	91
BLACK CANYON OTG NM	CONSTRUCT SEWER & WATER SYSTEMS	101	1,957	0	1,957
	****TOTAL, BLACK CANYON OTG NM		1,957	0	1,957
BRYCE CANYON NP	RECONSTRUCT COMFORT STATION SUNSET POINT	102	110	0	110
	RECONST PARK WATER SYSTEM	118	1,747	0	1,747
	CAP RARIA VIEW WELL & OBLITERATE ROAD	131	26	21	47
	****TOTAL, BRYCE CANYON NP		1,883	21	1,904
CANYONLANDS NP	CONST BIG SPRING CANYON BRIDGE	102	0	13,430	13,430
	UTILITY SYSTEMS	109	2,171	0	2,171
	SQUAW FLAT UTILITIES	149	1,306	0	1,306
	RECONST SERVICE RD & UPGRADE ENT RD	151	0	333	333
	****TOTAL, CANYONLANDS NP		3,477	13,763	17,240
CAPITOL REEF NP	SEWAGE SYS IMPROVEMENTS	125	336	0	336
	WATER SYSTEM IMPROVEMENT	150	240	0	240
	****TOTAL, CAPITOL REEF NP		576	0	576
COLORADO NM	BUILD WATER TREATMENT PLANT	108	560	0	560
	****TOTAL, COLORADO NM		560	0	560
CUSTER BATTLEFIELD NM	WATER SYSTEM ADDITION	119	179	0	179
	****TOTAL, CUSTER BATTLEFIELD NM		179	0	179
DINOSAUR NM	RECONSTR ENTR RD, PKG AREA & CONTACT STA	114	333	675	1,008

(DOLLARS IN THOUSANDS)

REGION / PARK	PACKAGE TITLE	PACKAGE	PE CONSTRUCTION	ROAD CONSTRUCTION	TOTAL
ROCKY MOUNTAIN REGION					
	****TOTAL, DINOSAUR NM		333	675	1,008
FLORISSANT FOSS BEDS NM	INITIAL REHAB. OF VISITOR FACILITIES	100	178	62	240
	PROTECTION OF FOSSILS & RESTR OF LANDS	101	317	0	317
	PAVE ROADS, BURY UTIL AND CONST EXHIBITS	105	445	187	632
	****TOTAL, FLORISSANT FOSS BEDS NM		940	249	1,189
FORT LARAMIE NHS	REHAB & RESTORE 1874 CAVBAR BLDG. #5	109	400	0	400
	RECONS 1885-1887 FLAGPOLE	111	13	0	13
	CONSTRUCT ENTRANCE ROAD COMPLEX	133	164	0	164
	WALKWAY, V.C. TO FORT GROUNDS	140	0	248	248
	ERECT PREFAB STORAGE BUILDING	144	61	0	61
	****TOTAL, FORT LARAMIE NHS		638	248	886
FOSSIL BUTTE NM	ROADS PARKING PATHS	107	0	2,080	2,080
	****TOTAL, FOSSIL BUTTE NM		0	2,080	2,080
GLACIER NP	RESURFACE CHIEF MOUNTAIN ROAD	124	0	2,018	2,018
	RECONSTRUCT WATER SYSTEM RESERVOIR	131	176	0	176
	RECONSTRUCT SEWAGE SYSTEM	141	2,250	0	2,250
	CONST SEWAGE TREATMENT PLANT	165	890	0	890
	RECONSTRUCT FUEL SYSTEMS	201	120	0	120
	****TOTAL, GLACIER NP		3,436	2,018	5,454
GLEN CANYON NRA	SEWAGE SYSTEM EXPANSION	227	230	0	230
	FERRY LOADING RAMP	242	0	45	45
	****TOTAL, GLEN CANYON NRA		230	45	275
GRAND TETON NP	EXPAND FLOAT LANDING FACILITIES	112	144	304	448
	JACKSON LAKE DAM BYPASS	244	106	0	106
	****TOTAL, GRAND TETON NP		250	304	554
GRANT-KOHRS RANCH NHS	CONSTRUCT WATER MAIN & CONNECTION	110	91	0	91
	CONST WATER AND SEWER (COMPL)	111	560	0	560
	BURY POWER LINES	112	16	0	16
	RESTORE RANCHHOUSE & OUTBUILDINGS	113	640	0	640
	CONSTRUCT RAINBOW AVE U'PASS, ACCESS ROAD	114	0	1,955	1,955
	****TOTAL, GRANT-KOHRS RANCH NHS		1,307	1,955	3,262
GREAT SAND DUNES NM	ENTRANCE STATION COMPLEX	107	99	30	129
	REBUILD SEWER SYSTEM; NEW COMFORT STA	108	118	0	118
	****TOTAL, GREAT SAND DUNES NM		217	30	247
JEWEL CAVE NM	INSTALL 2ND CAVE ELEVATOR	107	224	0	224
	****TOTAL, JEWEL CAVE NM		224	0	224

(DOLLARS IN THOUSANDS)

REGION / PARK	PACKAGE TITLE	PACKAGE	P&C CONSTRUCTION	ROAD CONSTRUCTION	TOTAL
ROCKY MOUNTAIN REGION					
KNIFE R INDIAN VILL NHS	KNIFE RIVER BANK STABILIZATION	103	400	0	400
	CONSTRUCT INITIAL VISITOR FACILITIES	104	427	0	427
	****TOTAL,KNIFE R INDIAN VILL NHS		827	0	827
MESA VERDE NP	CONST VISITOR LOOP TRAIL	106	0	80	80
	CONST INTERP DEVICES LOOP ROAD	108	57	0	57
	CONSTRUCT SURFACE RUINS SHELTERS	117	800	0	800
	CONST INTERP EXHIBITS IN12 SHELTERS	118	72	0	72
	CONST INTERP EXHIBITS ATRUINS OVERLOCK	192	13	0	13
	INSTALL PROTECT SYS AT ARCHEO MUSEUM	200	37	0	37
	****TOTAL,MESA VERDE NP		979	80	1,059
MOUNT RUSHMORE NMEM	CONST PROT DEVICES FOR SCULPTURE	103	264	0	264
	WATER SYSTEM IMPROVEMENTS	113	400	0	400
	CONVERT OLD STUDIO TO CARVING MUSEUM	142	345	0	345
	****TOTAL,MOUNT RUSHMORE NMEM		1,009	0	1,009
NATURAL BRIDGES NM	RESURFACE ENTR, LOOP & UTILITY ROADS	112	0	1,075	1,075
	****TOTAL,NATURAL BRIDGES NM		0	1,075	1,075
RAINBOW BRIDGE NM	TRAIL REHABILITATION	103	0	152	152
	****TOTAL,RAINBOW BRIDGE NM		0	152	152
ROCKY MOUNTAIN NP	DEVELOP NEW WATER SUPPLY& STORAGE	1	120	0	120
	RECONSTRUCT TRAIL RIDGE ROAD, (10.7 MI.)	106	0	2,568	2,568
	INSTALL BACKCOUNTRY USE-CONTROL FACILS	112	122	0	122
	CONVERT PIT TO VAULT TOILETS	117	280	0	280
	FOUR COMFORT STATIONS, SEWER & WALKS	118	750	24	774
	REPLACE WATER STORAGE SYSTEM	140	80	0	80
	RECONSTRUCT TRAIL #80	148	0	80	80
	****TOTAL,ROCKY MOUNTAIN NP		1,352	2,672	4,024
SHADOW MOUNTAIN RA	SITE DEV PINE BEACH AREA& EAST INLET AREA	104	174	144	318
	RESURFACE ENTR.RD. & REDO CAMPFIRE CIRCLE	105	186	896	1,082
	INSTALL SEWAGE BARGES,DOCKS & TOILETS	111	64	0	64
	****TOTAL,SHADOW MOUNTAIN RA		424	1,040	1,464
THEO ROOSEVELT NMEMP	BISON PROOF FENCE NORTH UNIT	110	1,674	0	1,674
	RECONSTRUCT 2 BRIDGES ONLOOP ROAD	121	0	216	216
	RECONSTRUCT INFO AND REST AREA	125	455	29	484
	****TOTAL,THEO ROOSEVELT NMEMP		2,129	245	2,374
TIMPANOGOS CAVE NM	REPLACE WATER LINE LOWER DEV AREA	102	93	0	93
	REPLACE CAVE LIGHTING	106	96	0	96
	****TOTAL,TIMPANOGOS CAVE NM		189	0	189

(DOLLARS IN THOUSANDS)

REGION PARK	PACKAGE TITLE	PACKAGE	P&C CONSTRUCTION	ROAD CONSTRUCTION	TOTAL
ROCKY MOUNTAIN REGION					
WIND CAVE NP	CAVE LIGHTING REHABILITATION	101	117	117	234
	VISITOR CTR REHAB AND EXPANSION HDQ	109	1,014	80	1,094
	****TOTAL, WIND CAVE NP		1,131	197	1,328
YELLOWSTONE NP	CONST WATER INTAKE& DISTRIBUTION SYSTEM	113	5,026	0	5,026
	GARDNER RIVER BRIDGE REPAIRS	114	0	267	267
	CONSTR MAINTENANCE & STORAGE BUILDING	120	286	0	286
	RECONSTRUCT ENTR RD & PKG-MONTANA SECTION	147	0	1,765	1,765
	INTERPRETIVE FACILITIES & TRAIL	186	187	82	269
	EMERG. STABIL. HIST. BLDG. #1 (VIS. CTR.)	402	96	0	96
	CONSTRUCT SHOWER-LAUNDRY BUILDING	413	66	0	66
	****TOTAL, YELLOWSTONE NP		5,661	2,114	7,775
ZION NP	EXPAND WATER STORAGE SYSTEM	101	640	0	640
	EXHIBIT REHABILITATION	136	11	0	11
	RECONSTRUCT 0.7-MILE SPRINGDALE WATERLINE	154	96	0	96
	EROSION CONTROL VIRGIN RIVER	158	80	0	80
	****TOTAL, ZION NP		827	0	827
	****TOTAL, ROCKY MOUNTAIN REGION		32,813	31,326	64,139
SOUTHEAST REGION					
ABRAHAM LINCOLN BPL NHS	INTERP PROGRAM SOUND ANDLIGHTS	104	21	0	21
	****TOTAL, ABRAHAM LINCOLN BPL NHS		21	0	21
ANDERSONVILLE NHS	HIGHWAY IMPROVEMENTS ANDRELOCATE UTIL	101	72	240	312
	HISTORIC RESTORATION (PORTION)	108	115	0	115
	INFO CENTER, MAINT BLDG, UTILITIES&ROADS	109	1,017	378	1,395
	CONST EMPLOYEE RESIDENCE	114	106	0	106
	****TOTAL, ANDERSONVILLE NHS		1,310	618	1,928
BISCAYNE NM	WATERWAY DIRECTION MARKERS	101	0	296	296
	MARINE FACILITIES & UTILBISCAYNE BASE	103	1,336	1,032	2,368
	CONST VISITOR AND MAINT.FACILITY	105	0	35	35
	VISITOR FACIL-MAINT & RESIDENCE	127	1,272	320	1,592
	****TOTAL, BISCAYNE NM		2,608	1,683	4,291
BLUE RIDGE PARKWAY	BITUM REPAVING VS 70 TO FRENCH BRD RIVER	102	0	1,120	1,120
	SECT 2H NEW CONST. (.6MI) LINN COVE TO STRK	105	0	3,840	3,840
	SEC 2H (2MI) ROUGH RI TO LN-CV (PUR)	116	0	6,720	6,720
	VISITOR CENTER ADDITION HUMPBACK ROCKS VA	148	6	0	6
	INFORMATION STA AND INTERPRETIVE FACILITY	290	0	24	24
	PARKING & UTILITIES, FOLK ART CENTER	324	176	322	498
	PEAKS OF OTTER SEWAGE SYSTEM	326	920	0	920
	****TOTAL, BLUE RIDGE PARKWAY		1,102	12,026	13,128
BUCK ISLAND REEF NM	VISITOR ORIENTATION MOVIE	104	87	0	87
	****TOTAL, BUCK ISLAND REEF NM		87	0	87

(DOLLARS IN THOUSANDS)

REGION / PARK	PACKAGE TITLE	PACKAGE	PEC CONSTRUCTION	ROAD CONSTRUCTION	TOTAL
SOUTHEAST REGION					
CAPE HATTERAS NS	CONST INFO STATION,ROADSAND PARKING	140	504	120	624
	VISITOR DAY USE FACILITIES	143	400	320	720
	SOLID WASTE DISPOSAL SYSTEM	167	64	0	64
	****TOTAL,CAPE HATTERAS NS		968	440	1,408
CAPE LOOKOUT NS	UTIL,DOCKS&PKING&RESTORESITE,HARPERS IS.	110	1,347	512	1,859
	CONST DOCK	111	216	0	216
	****TOTAL,CAPE LOOKOUT NS		1,563	512	2,075
CARL SANDBURG HOME NHS	VISITOR FACIL,VISIT CTR PARKING,RD&UTILS	101	354	266	620
	CARL SANDBURK HOME RESTORATION	103	893	0	893
	FARM STABILIZATION FARM AREA	104	162	0	162
	****TOTAL,CARL SANCBURG HOME NHS		1,409	266	1,675
CASTILLO DE SAN MARCOS	REHAB & STAB FT-PHASE 1 PK GEN	116	1,285	0	1,285
	FLOODLIGHT SYSTEM FOR FORT, PHASE 2	117	133	0	133
	****TOTAL,CASTILLO DE SAN MARCOS		1,418	0	1,418
COWPENS NB	HEADQUART DEV,TRAILS AND BATTLESITE RESTO	103	1,754	1,162	2,916
	****TOTAL,COWPENS NB		1,754	1,162	2,916
CUMBERLAND GAP NHP	GAP RESTORATION	113	0	14	14
	****TOTAL,CUMBERLAND GAP NHP		0	14	14
CUMBERLAND ISLAND NS	CONSTRUCT PARKING AREA	102	0	2,112	2,112
	CONSTRUCT 24 MILE SHUTTLE BUS ROUTE	104	0	4,118	4,118
	CONSTRUCT FERRY TERMINAL	105	1,150	0	1,150
	REFURBISHING PLUM ORCHARD MANSION	106	1,144	0	1,144
	DEV ISLAND BEACH AREA RD BEACH	108	2,993	0	2,993
	INTERPRETIVE STRUCTURE PLUM ORCHARD	110	158	0	158
	INTERP DEVICES:(SIGNS,AVEXHIBITS)	111	153	0	153
	MAINT AREA, VC, & ADMIN BLDG	112	384	0	384
	FERRY BOATS	113	780	0	780
	STABILIZATION OF DUNGENESS RUINS	114	267	0	267
	CONSTRUCT COMFORT STATIONS	116	680	0	680
	MAINLAND & ISLAND MAINT PAVING (COMPL)	119	0	40	40
	VISITOR CENTER-ADMINISTRATION BUILDING	120	768	0	768
	CONSTRUCT ENTRANCE ROAD,2 MILES	136	0	792	792
	CONSTRUCT UTILITY SYSTEMS	138	2,384	0	2,384
	****TOTAL,CUMBERLAND ISLAND NS		10,861	7,062	17,923
DE SOTO NMEM	ORIENTATION MAP BOARD REPLACEMENT	106	7	0	7
	****TOTAL,DE SOTO NMEM		7	0	7
EVERGLADES NP	REMODEL VISIT CTR & EXPAND COMFORT STA.	102	321	0	321
	****TOTAL,EVERGLADES NP		321	0	321

(DOLLARS IN THOUSANDS)

REGION PARK	PACKAGE TITLE	PACKAGE	P&C CONSTRUCTION	ROAD CONSTRUCTION	TOTAL
SOUTHEAST REGION					
FOOTHILLS PARKWAY	FINAL SURFACE AND GUARD RAIL,SECT 8A	103	0	1,440	1,440
	INSTALL TUNNEL LIGHTING	131	0	240	240
	****TOTAL,FOOTHILLS PARKWAY		0	1,680	1,680
FORT CAROLINE NMEM	CONSTRUCT PARKING AREA AT SPAN CAMP POND	101	12	30	42
	****TOTAL,FORT CAROLINE NMEM		12	30	42
FORT DONELSON NMP	REHABILITATION OF COVER HOTEL PK GEN	102	525	0	525
	****TOTAL,FORT DONELSON NMP		525	0	525
FORT JEFFERSON NM	UTIL/CISTERN REHABICMFT-STA;DOCK RECONST.	101	653	11	664
	GARDEN KEY PKG RESTORE HIST STRVC	103	9,731	0	9,731
	****TOTAL,FORT JEFFERSON NM		10,384	11	10,395
FORT PULASKI NM	CASEMATE CONVERSION-FURNISH MAGAZINE	134	16	0	16
	****TOTAL,FORT PULASKI NM		16	0	16
FORT RALEIGH NHS	SHORE PROTECTION CONSTR.GRCINS	101	680	0	680
	ENTRANCE SIGN MAIN HIGHWAY	109	13	0	13
	FIRE & INTRUSION ALARM & FIRE SUPPRESSION	110	80	0	80
	****TOTAL,FORT RALEIGH NHS		773	0	773
FORT SUMTER NM	DEVELOP BROAD ST. VISITOR FACILITIES	105	134	2,048	2,182
	****TOTAL,FORT SUMTER NM		134	2,048	2,182
GREAT SMOKY MTNS NP	PARKING AND WATER SYSTEMIMPROVEMENTS	103	88	160	248
	ROADSIDE PARKING DEV GATLINBURG ENT	113	0	262	262
	BASIC DEVELOPMENTS FOR MASS TRANSIT	255	80	232	312
	INDIAN CREEK MOTOR NATURE TRAIL	256	0	806	806
	****TOTAL,GREAT SMOKY MTNS NP		168	1,460	1,628
GULF ISLANDS NS	STABIL&RESTORE FORTS ANDMISC BATTERIES	101	875	0	875
	VISIT CTR,CAMPGRD DOCK UTILITIES&TRAILS	102	2,427	230	2,657
	PK ENTR RD & CMPGRD RDS REHABILITATION	109	0	1,213	1,213
	GENERAL DEVELOPMENT LIVE OAK	112	3,378	1,144	4,522
	CONST VISITOR FACILITIESAND UTILITIES	119	2,162	0	2,162
	VISITOR CTR,DOCKS,ROADS,AND UTILITIES	120	2,744	1,866	4,610
	****TOTAL,GULF ISLANDS NS		11,586	4,453	16,039
NATCHEZ TRACE PARKWAY	CONST RD CHEROKEE	110	0	2,574	2,574
	CONST RD SECT 2-D-1	127	0	12,138	12,138
	RESURFACE 22 MILES CANCYAND KOSCIUSKO	135	0	2,720	2,720
	COMPLETE DEVELOP-ROCKY SPRINGS PARK	138	0	98	98
	CONST RD RIDGELND	140	0	10,125	10,125
	SURFACE PARKWAY MOTOR ROAD SECTIONS 3S&3T	206	0	2,080	2,080
	****TOTAL,NATCHEZ TRACE PARKWAY		0	29,735	29,735

(DOLLARS IN THOUSANDS)

REGION PARK	PACKAGE TITLE	PACKAGE	PGC CONSTRUCTION	ROAD CONSTRUCTION	TOTAL
SOUTHEAST REGION					
OCMULGEE NM	VISIT CTR EXHIBIT AND CLIMATE CONTROL	102	128	16	144
	RECONSTRUCT PARK ROAD AT ENTRANCE	114	0	160	160
	****TOTAL, OCMULGEE NM		128	176	304
SAN JUAN NHS	REHAB WALLS & PAVEMENT- PHASE 1	127	8,242	0	8,242
	****TOTAL, SAN JUAN NHS		8,242	0	8,242
SHILOH NMP	BYPASS ROAD	120	0	237	237
	****TOTAL, SHILOH NMP		0	237	237
VICKSBURG NMP	CONSTR VISITOR FACILITY FOR GUNBOAT	101	3,338	149	3,487
	RESTORE SHIRLEY HOUSE SHIRLEY HOUSE ARE	102	173	0	173
	REMOVE OBSOLETE VISITITOCENTER	103	102	0	102
	****TOTAL, VICKSBURG NMP		3,613	149	3,762
VIRGIN ISLANDS NP	CONST MAINT AREA CRUZ BAY	101	354	61	415
	****TOTAL, VIRGIN ISLANDS NP		354	61	415
WRIGHT BROTHERS NMEM	VISITOR CENTER REHABILITATICN	105	115	0	115
	CONST VC PARKING AREA & SERV RD TO AIRSTP	106	0	224	224
	****TOTAL, WRIGHT BROTHERS NMEM		115	224	339
	****TOTAL, SOUTHEAST REGION		59,479	64,047	123,526
SOUTHWEST REGION					
AMISTAD RA	CONST UTIL SYS TO SERVE DEVELOPMENT	102	970	0	970
	CONSTR BOAT DOCK & VISITOR COURTESY DOCK	109	133	0	133
	CONSTRUCG UTILITY NG	113	117	32	149
	CONSTR RANGER CONTACT STATION	114	30	0	30
	VISITOR CONTACT AND UTILITY BUILDING	117	832	94	926
	CONSTR 2 EMPLOYEE DUPLEXES	119	245	0	245
	CONSTR 25 SITE PICNIC AREA	126	69	0	69
	CONSTR COMFORT STATION UTL SYSTEM	159	163	0	163
	****TOTAL, AMISTAD RA		2,559	126	2,685
BIG BEND NP	RECONSTRUCT 10 MILES OF ROUTE 1	109	0	3,074	3,074
	CONSTRUCT SEWAGE TREATMENT SYS	133	1,490	0	1,490
	****TOTAL, BIG BEND NP		1,490	3,074	4,564
BUFFALO NR	CONSTR ROAD, BOAT, RAMPS 3PARKING AREA	109	667	1,640	2,307
	CONSTR RANGER STAT, ROAD PARKING SITE UTLS	110	1,413	349	1,762
	CONSTR RD, BOAT RAMP AND PARKING AREA	113	0	154	154
	****TOTAL, BUFFALO NR		2,080	2,143	4,223
CANYON DE CHELLY NM	CONSTR VIS CONTACT STAT & UTILITY AREA	111	1,035	1,104	2,139
	****TOTAL, CANYON DE CHELLY NM		1,035	1,104	2,139

(DOLLARS IN THOUSANDS)

REGION / PARK	PACKAGE TITLE	PACKAGE	P&C CONSTRUCTION	ROAD CONSTRUCTION	TOTAL
SOUTHWEST REGION					
CHACO CANYON NM	CONSTR 1 DUPLEX RES CONSIST OF 2 3BEDRM	106	92	0	92
	CONSTR ONE 8 UNIT 2 STORY APT BLDG	109	228	18	246
	CONSTR OFF/LAB FOR NM ARCH CENTER	111	240	46	286
	CONSTR ONE 10 UNIT DORM FOR NM ARCH CNTR	112	360	27	387
	INSTALL LP GAS SYS TO SRVE PALADA HDQTRS	154	30	0	30
	****TOTAL,CHACO CANYON NM		950	91	1,041
CHALMETTE NHP	LEVEE WAYSIDE DEVELOPMENT	103	269	0	269
	****TOTAL,CHALMETTE NHP		269	0	269
FORT DAVIS NHS	COMMANDING OFFICERS QTRS RESTORATION	101	235	0	235
	CONSTR 4 MILES OF BOUNDARY FENCING	108	50	0	50
	****TOTAL,FORT DAVIS NHS		285	0	285
GILA CLIFF DWELLINGS NM	CONSTR 5 MILES OF BOUNDARY FENCE	105	112	0	112
	****TOTAL,GILA CLIFF DWELLINGS NM		112	0	112
GUADALUPE MOUNTAINS NP	CONST UTL SYS 3 3 BEDROOM QTRS & ROAD	101	1,455	180	1,635
	CONST 6, 3BEC QTR UTL BLDG APT BLDG&UTLS	103	1,763	211	1,974
	CONSTR HORSE & FOOT TRAIL 10 MILES PHASEI	109	0	739	739
	CONSTR FOOT AND HORSE TRAIL PHASE II	110	0	1,848	1,848
	CONST V/C CONTACT STA,OFFCS& PARKING AREA	111	1,818	1,229	3,047
	CONSTR ENTRANCE ROAD & CONTACT STATION	114	566	3,619	4,185
	CONSTR RANGER STAT,CORRAL & CAMPING AREA	119	432	102	534
	****TOTAL,GUADALUPE MOUNTAINS NP		6,034	7,928	13,962
HOT SPRINGS NP	CONSTR COMFORT STATION AREA GULPHA GORGE	101	37	0	37
	****TOTAL,HOT SPRINGS NP		37	0	37
HUBBELL TRAD POST NHS	COMPL-STAB & REST-MN TROPOST BLDG,HB 1,2	104	350	0	350
	RESEARCH,DESIGN & PROD OF EXHIB HB-9 STA	107	16	0	16
	RESTORE HB-2	134	299	0	299
	RESTORE HB-5	135	192	0	192
	****TOTAL,HUBBELL TRAD POST NHS		857	0	857
LAKE MEREDITH RA	CONST FISH CLEAN STAT & TRAILER DUMP STAT	110	93	110	203
	STAB PORTION OF RD & PARKING AREA	139	0	120	120
	CONSTR SEWAGE DUMP STATIONS	159	56	16	72
	DUMP STA FOR CAMPERS & TRAILERS	160	14	8	22
	DUMP STA FOR CAMPERS & TRAILERS	161	14	8	22
	CONSTR EXTENSIONS TO EXISTING BOAT DOCKS	162	144	0	144
	****TOTAL,LAKE MEREDITH RA		321	262	583
NAVAJO NM	INSCRIPTION HOUSE RANGER STATION	102	101	0	101
	RANGER STAT AND UTL KEET SEEL	105	69	0	69
	SEWER SYS IMPROVEMENT TOREPLACE LEACH FLD	114	88	0	88
	****TOTAL,NAVAJO NM		258	0	258

(DOLLARS IN THOUSANDS)

REGION PARK	PACKAGE TITLE	PACKAGE	P&C CONSTRUCTION	ROAD CONSTRUCTION	TOTAL
SOUTHEAST REGION					
PADRE ISLAND NS	RESOEN MALAQUITE BEACH	103	205	3	208
	****TOTAL, PADRE ISLAND NS		205	3	208
PEA RIDGE NMP	REBUILD VISITOR CENTER ROOF	101	80	0	80
	CONSTRUCT MAINT STORAGE BUILDING	111	106	0	106
	REFURNISH ELKHORN TAVERNAS A 1862 HOSPITA	116	38	0	38
	VISITOR CENTER EXPANSION	129	77	0	77
	CONSTR ELKHORN TAVERN COMFORT STATION	130	34	0	34
	****TOTAL, PEA RIDGE NMP		335	0	335
PECOS NM	VIST CENT HQ HQ	101	2,320	230	2,550
	****TOTAL, PECOS NM		2,320	230	2,550
WHITE SANDS NM	CONST FENCE EAST BOUNDARY 8 1/2 MILES	123	182	0	182
	****TOTAL, WHITE SANDS NM		182	0	182
WUPATKI NM	BITUMINOUS ROAD SURFACING 9.33 MILES	101	0	1,112	1,112
	****TOTAL, WUPATKI NM		0	1,112	1,112
	****TOTAL, SOUTHWEST REGION		19,329	16,073	35,402
WESTERN REGION					
CABRILLO NM	ILLUMINATE PARKING AREA	103	112	0	112
	REHAB LIGHTHOUSE	123	64	0	64
	CONSTRUCT VIEW PLAZA	127	800	0	800
	ROADSIDE INFORMATION BROADCAST SERVICE	128	16	0	16
	UPGRADE RADIO SYSTEM	129	16	0	16
	LAND & SEA WAYSIDE EXHIBITS	131	0	0	0
	REMODEL AUDIOVISUAL FACILITIES	132	0	0	0
	****TOTAL, CABRILLO NM		1,008	0	1,008
CASA GRANDE RUINS NM	STABILIZATION OF THE CASA GRANDE	109	432	0	432
	****TOTAL, CASA GRANDE RUINS NM		432	0	432
CHANNEL ISLANDS NM	HEADQUARTERS	107	2,013	925	2,938
	****TOTAL, CHANNEL ISLANDS NM		2,013	925	2,938
CHIRICAHUA NM	RECONST RT 1	103	0	898	898
	ROADSIDE & TRAILSIDE EXHIBITS	114	24	0	24
	****TOTAL, CHIRICAHUA NM		24	898	922
CORONADO NMEM	REHAB INTERPRETIVE DISPLAYS	103	3	0	3
	CONSTRUCT EXHIBITS & AV DEVICES	129	0	0	0
	****TOTAL, CORONADO NMEM		3	0	3

(DOLLARS IN THOUSANDS)

REGION / PARK	PACKAGE TITLE	PACKAGE	P&C CONSTRUCTION	ROAD CONSTRUCTION	TOTAL
WESTERN REGION					
DEATH VALLEY NM	REHABILITATE SCOTTY'S CASTLE	18	421	0	421
	CONSTRUCT UTILITY BLDG &PARKING	102	798	280	1,078
	REHAB NEVARES SPRING WATER SYSTEM	104	320	0	320
	RECONSTRUCT RTE 8 (18MI) EMIGRANT DISTRICT	105	0	3,203	3,203
	RECONSTRUCT & EXPAND WATER SYSTEM FURN	111	1,794	0	1,794
	EXPAND CAMPGRD COMPLEX	113	693	1,549	2,242
	REHAB STOVE PIPE WELLS CAMPGROUND	123	3,794	555	4,349
	CONSTRUCT BOUNDARY FENCING	200	1,128	0	1,128
	CONSTRUCT BARRIER & DRIFT FENCING	201	429	0	429
	CONSTRUCT WAYSIDE EXHIBITS-CALIFORNIA	205	0	0	0
	CONSTRUCT WAYSIDE EXHIBITS	206	0	0	0
	CONSTRUCT WAYSIDE EXHIBITS	207	0	0	0
	CONSTRUCT WAYSIDE EXHIBITS-SOUTH ENTRANCE	208	0	0	0
	CONSTRUCT WAYSIDE EXHIBITS-DAYLIGHT PASS	209	0	0	0
	CONSTRUCT WAYSIDE EXHIBITS-TITUS CANYON	210	0	0	0
	CONSTRUCT WAYSIDE EXHIBITS-DANTES VIEW	211	0	0	0
	CONSTRUCT WAYSIDE EXHIBITS-REPLACEMENT	212	0	0	0
	INTERPRETIVE DEVELOPMENT	213	0	0	0
	EMERGENCY CASTLE RESTORATION	216	40	0	40
	****TOTAL, DEATH VALLEY NM		9,417	5,587	15,004
FORT BOWIE NHS	STABILIZATION OF ADOBE WALLS	105	240	0	240
	****TOTAL, FORT BOWIE NHS		240	0	240
FORT POINT NHS	RESTORE FORT POR 2	136	114	0	114
	****TOTAL, FORT POINT NHS		114	0	114
GOLDEN GATE NRA	CONSTRUCT INTERIM TRAIL SYSTEM	113	0	70	70
	PARKING AREA IMPROVEMENTAREA	114	0	605	605
	FT MASON HQTRS BLDG & GROUNDS RENOVATION	118	1,225	2	1,227
	****TOTAL, GOLDEN GATE NRA		1,225	677	1,902
GRAND CANYON NP	CAMPGROUND REHAB MATHER	104	162	421	583
	NORTH ENTRANCE RD REHAB NO RIM	107	0	2,600	2,600
	CONSTRUCT EMPLOYEE RESIDENCES	143	628	98	726
	REHAB EMPLOYEE TRAILER PARK SO RIM VILL	152	1,920	949	2,869
	REHAB WATER SYSTEM	188	800	0	800
	REHAB EXHIBITS AT YAVAPAI MUSEUM	247	105	0	105
	CONSTR SEWAGE COLLECTIONTREATMENT SYSTEM	261	59	0	59
	****TOTAL, GRAND CANYON NP		3,674	4,068	7,742
HALEAKALA NP	KIPAHULU LIVING FARM KIPAHULU DIST	106	32	0	32
	SEVEN POOLS CAMPGROUND	109	170	56	226
	CONSTRUCT WATER SYSTEM	130	1,194	0	1,194
	****TOTAL, HALEAKALA NP		1,396	56	1,452

(DOLLARS IN THOUSANDS)

REGION / PARK	PACKAGE TITLE		PACKAGE	P&C CONSTRUCTION	ROAD CONSTRUCTION	TOTAL
WESTERN REGION						
HAWAII VOLCANOES NP	DEVELOP HEADQUARTERS	WATER SYSTEM	111	1,402	0	1,402
	REPLACE THURSTON LAVA	TUBE LIGHTING	127	72	0	72
	WATER FILTER & CHLORINATOR		148	163	0	163
	RECONSTRUCT ROTTING FLOORS V.C.		175	29	0	29
	CONSTRUCT COUNTER-	ANCHORED VIEW	178	128	0	128
	REBUILD LAVA COVERED FENCE		179	106	0	106
	****TOTAL,HAWAII VOLCANOES NP			1,900	0	1,900
HOHOKAM PIMA NM	CONSTRUCT BOUNDARY	FENCING	101	75	0	75
	****TOTAL,HOHOKAM PIMA NM			75	0	75
JOSHUA TREE NM	RESURFACE RT 1 POR 111		110	0	2,541	2,541
	RESURFACE RT 1 POR 2		111	235	2,758	2,993
	GUZZLER INSTALLATIONS		126	56	0	56
	RECONSTRUCT RT 1 POR 1		173	0	1,446	1,446
	EXHIBITS CAP ROCK TO SO	ENTRANCE	180	12	0	12
	CONSTR WAYSIDE EXHIBIT	RT 3	181	7	0	7
	EXHIBIT KEYS RANCH		182	20	0	20
	CONSTRUCT EXHIBITS	COTTONWOOD TO	185	30	0	30
	RESURFACE RT 2 FROM WYE	TO CAPE ROCK	198	0	1,664	1,664
	29 PALMS VISITOR CENTER	EXHIBIT REHAB	214	90	0	90
	INSTALL ROADSIDE INFO	BROADCAST SER	215	25	0	25
	STORAGE BUILDING FOR ARTIFACTS		217	0	0	0
	MINE SHAFT SAFETY DEVICES		218	77	0	77
	MINE SHAFT SAFETY DEVICES		219	77	0	77
	****TOTAL,JOSHUA TREE NM			629	8,409	9,038
LAKE MEAD NRA	CONSTRUCT SEWER SYSTEM		118	416	0	416
	SEWAGE SYSTEM	KATHERINE	121	64	0	64
	CONSTRUCT COCKS (4)	PK GEN	131	67	0	67
	POWER SYSTEM EXPANSION	BOULDER BEACH	140	962	0	962
	EXPAND SEWER SYSTEM	BOULDER BEACH	141	640	0	640
	CONSTRUCT WATER SYSTEM		202	1,077	0	1,077
	CONSTRUCT FISH CLEANING	STATIONS	219	159	0	159
	CONSTRUCT PARKING AREA		237	96	376	472
	CONSTRUCT UTILITY	BUILDING	246	245	66	311
	DIVE LOCKER		247	56	0	56
	CONCESSIONER RESIDENTIAL AREA		252	43	0	43
	REPLACE DRAINAGE STRUCTURE	N.SHORE ROAD	257	0	840	840
	****TOTAL,LAKE MEAD NRA			3,825	1,282	5,107
LASSEN VOLCANIC NP	CONSTRUCT DUPLEX	RESIDENCE &	101	1,128	6	1,134
	APARTMENT UTILITIES	BUTTE LAKE AREA	109	339	0	339
	ADDITION TO CHALET		120	96	0	96
	LASSEN PEAK EXHIBITS	TRAIL	127	13	0	13
	****TOTAL,LASSEN VOLCANIC NP			1,576	6	1,582

(DOLLARS IN THOUSANDS)

REGION / PARK	PACKAGE TITLE	PACKAGE	P&C CONSTRUCTION	ROAD CONSTRUCTION	TOTAL
WESTERN REGION					
LEHMAN CAVES NM	EXTEND SEWER LINE TO LAGOON	106	147	0	147
	CONSTRUCT WATER RESERVOIR	112	88	0	88
	****TOTAL,LEHMAN CAVES NM		235	0	235
MONTEZUMA CASTLE NM	REPLACE COMFORT STATION CASTLE SECTION	104	74	0	74
	****TOTAL,MONTEZUMA CASTLE NM		74	0	74
ORGAN PIPE CACTUS NM	INSTALL EXHIBITS AT AMPHITHEATER	143	0	0	0
	****TOTAL,ORGAN PIPE CACTUS NM		0	0	0
PETRIFIED FOREST NP	RECONSTR BLUE MESA SPUR RD & OVERLOOK	107	0	272	272
	RECONSTRUCT PRIMARY RD. RT 1	128	0	1,209	1,209
	CONSTRUCT HORSE CORRAL & BARN	137	416	0	416
	****TOTAL,PETRIFIED FOREST NP		416	1,481	1,897
PINNACLES NM	COMMERCIAL POWER & ELECTRICITY	118	59	0	59
	****TOTAL,PINNACLES NM		59	0	59
POINT REYES NS	ENTRANCE ROAD EXTENTION & SIGNS	101	0	912	912
	CONSTR TRAIL COMFORT STA	149	22	0	22
	CONSTRUCT ELK HERD FENCING	150	148	0	148
	CONSTR MINOR TRAIL HEADS	166	0	154	154
	EMERGENCY STABILIZATION-US COAST GD STA	169	30	0	30
	****TOTAL,POINT REYES NS		200	1,066	1,266
REDWOOD NP	CONSTRUCT REDWOOD CREEK TRAIL (PCR)	103	0	234	234
	****TOTAL,REDWOOD NP		0	234	234
SAGUARO NM	FENCE BOUNDARIES RINCON DIST	114	70	0	70
	****TOTAL,SAGUARO NM		70	0	70
SEQUOIA NP	RECONSTRUCT WATER SEWER AND ELECTRIC	103	3,682	0	3,682
	ROAD RESURFACE RT.1 PK GEN	126	0	2,246	2,246
	TRAILS PK GEN	130	0	88	88
	CONSTR SEASONAL QUARTERS	803	1,536	0	1,536
	****TOTAL,SEQUOIA NP		5,218	2,334	7,552
TONTO NM	MOOSTONE BEDROCK STABILIZATION	114	64	0	64
	****TOTAL,TONTO NM		64	0	64
TUMACACORI NM	MISSION CHURCH STABILIZATION	122	480	0	480
	CONSTRUCT DISPLAY FACILITIES FOR SANTOS	138	0	0	0
	SCALE MODEL OF MISSION COMMUNITY COMPLEX	139	0	0	0
	WAYSIDE EXHIBITS SYSTEM	140	0	0	0
	****TOTAL,TUMACACORI NM		480	0	480

(DOLLARS IN THOUSANDS)

REGION PARK	PACKAGE TITLE	PACKAGE	PCC CONSTRUCTION	ROAD CONSTRUCTION	TOTAL
WALNUT CANYON NM	VISITOR CENTER INTERPRETIVE EXHIBITS	116	0	0	0
	****TOTAL, WALNUT CANYON NM		0	0	0
WHISKEYTOWN NRA	CONSTRUCT WATER SYSTEM	117	138	0	138
	WATER SYSTEM EXPANSION	122	141	0	141
	****TOTAL, WHISKEYTOWN NRA		279	0	279
YOSEMITE NP	ELECTRICAL EXTENSIONS & CONNECTIONS	117	240	0	240
	RECONSTRUCT ROADWAY & TRAIL	140	0	854	854
	TRAIL RECONSTRUCTION	162	0	80	80
	TOUR BUS FACILITIES	193	0	320	320
	RECONSTRUCT SEWAGE DISPOSAL SYSTEM	217	557	0	557
	SEWER REPAIRS COMPLETION	220	736	0	736
	SUPPLEMENTAL WATER SUPPLY	223	333	0	333
	RESTORE HISTORIC RANGER DORMITORY BLDG 56	241	512	0	512
	WATER SYSTEM	246	272	0	272
	WATER SYSTEM COMPLETION	249	2,774	0	2,774
	CONST CAMPGROUND KIOSKS & SIGNS	250	26	3	29
	AIR & SOUND CONTROL V C	251	32	0	32
	DAY USE PARKING EXPANSION	274	587	0	587
	****TOTAL, YOSEMITE NP		6,069	1,257	7,326
	****TOTAL, WESTERN REGION		40,715	28,280	68,995
	GRAND TOTAL		333,544	184,036	517,580

STATUS OF THE NATIONAL VISITOR CENTER

Senator BYRD. Would you please bring up us to date on the long and troublesome development of the National Visitor Center?

Secretary REED. Mr. Wheeler, my Deputy Assistant Secretary, is here, who has been a party to the negotiations on the visitor center. I would like to ask him to respond directly to you, if I may.

Mr. WHEELER. The project is now on target for completion in late June of 1976, barring, as Secretary Reed points out, any trouble with the labor force or difficulty in obtaining material.

You may know that we had requested of your committee and of the House committee authority to reprogram some funds to meet ever increasing costs on that project. The request was denied, and we are going forth with something less than full authorization provided by the Congress late last year. The result, however, we think, will be a viable project and one of which the Park Service, and certainly the Congress, can be proud.

LIMITATIONS ON CENTER FUNDING

Senator BYRD. Do you have any problems with OMB?

Secretary REED. On the visitor center?

Senator BYRD. Yes.

Secretary REED. We examined the prospects. They insisted that we ask the Senate and House committee for reprograming. As you know, Chairman Yates felt very strongly that reprograming would take money out of projects approved by the Congress, that it came at a very late date in the fiscal year and where the money had already been counted on in local districts. The same came from you, sir, and your staff, and nobody can really fault you for that decision. So we went back and examined the prospect of a supplemental budget request to you and to Chairman Yates. OMB did not allow us to proceed with a request for supplemental funds. Therefore, we came back to the original plan of the visitor center and cut $5.4 million worth of hardware basically built around the two visitor movie theaters that were supposed to be used to introduce hundreds of thousands of out-of-towners to Washington and to the significance of the Bicentennial. We have eliminated that area from the basement zone in the visitor center.

PERSONNEL CEILING

Senator BYRD. The committee has been concerned for some time over the ongoing practice of budgeting for additional personnel to accommodate park expansion, while at the same time the Department has a ceiling that prevents filling many of these positions. The Park Service has to resort to temporary hiring practices and contracting that actually increases operating costs. What is being done to correct this problem?

Secretary REED. Well, first, I would like to congratulate former Director Walker. He instituted, I think, a significant reduction in overhead in the Washington office—approximately 100 positions. Director Everhardt initiated a far-reaching look at the size of the regional

office and at the amount of paperwork that the bureaucracy spends its time on, in an effort to return to the park areas in the field the maximum number of supervisory personnel possible.

There is no question about it that the rapid expansion of the Park Service the last 6 years, the absolutely incredible number of new areas, has caused a significant strain on the existing manpower ceiling. The last three consecutive Presidents have been interested in holding down, as you have, Mr. Chairman, the size of employment in the Federal Government. And we have attempted to run our parks with a hard core of professionals and surround them with less than full-time employees.

The problem is the size of the Park Service has grown more rapidly than any of us could anticipate and that this hard core force is now being diminished in the old line parks, which is a very sad situation. We have less people in the core, for instance, in major parks like Yellowstone or Yosemite or Glacier, than we had, say 15 years ago. And this is one of the reasons that we changed the emphasis of this year's budget to highlight operations. At the moment we are not very close to a new ceiling figure that we got late last fall which is a significant reduction as to the numbers we had in the early fall.

I am not prepared to say whether we are going to make the ceiling because retirements this year, Mr. Chairman, are very, very slow. It is not following the pattern of years past because the outside labor market demands are so poor in this recession, and many employees, even though they are arriving at retirement age, are deciding to stay on a few years longer rather than retire. Our attrition rate, is much smaller than in normal years, so it looks like we have a problem with the personnel ceiling which is not the same as the number of authorized positions shown in the budget. It is much smaller. I am reviewing the personnel ceiling situation every two weeks. I have been watching, hoping that we are at least going to be close.

It would appear the Department overall is going to make it, but whether the Park Service makes it is questionable as of this date.

Senator BYRD. Is this resulting in any decrease in your temporary hiring?

Secretary REED. No, it has no impact on temporaries. It has just an impact on permanents. The Director has a total freeze on any permanent hiring, but I have not authorized him to begin the paperwork on the reduction-in-force. I think that would be the most terrible blow to the morale of the National Park Service, and I don't anticipate doing that, sir.

TEMPORARY PERSONNEL

Senator BYRD. Temporary hiring practices and contracting increase the operating costs. What are you doing here to bring this down?

Secretary REED. Without an increase in manpower ceiling I don't have any option on that, Mr. Chairman.

Senator BYRD. If your permanent personnel are retiring at a slower rate, why would your temporary hiring be continuing at the same rate, or going up?

Secretary REED. Principally because of the amount of new areas that have come into the system, not only in the authorization of the last Congress, but of the last three Congresses, that we haven't even begun to flesh out.

One of the problems, Mr. Chairman, which I know you and Senator Stevens are well aware of, is that when a new area is authorized—and I can think of a number of congressional calls in the last 2 weeks—after field hearings and a great deal of promise for a new area coming in the National Park Service, with an expected visitation, the Service is then unable to man them or put any capital improvement on that property. There is a tremendous loss of faith which I, as Assistant Secretary and the Director, must share in. Some of the calls last week from Members of Congress were as angry as I have ever had. We promised improvement in the areas where they supported the legislation and gained support of the surrounding citizenry to bring these areas in, and then our budget fails to reflect a single dime of capital improvement in those areas. It is a very sad commentary on the fiscal condition of the Nation.

NEW PARK AREAS

Senator BYRD. How many new areas are we talking about?

Secretary REED. Well, last year's roll was 12 with operating requirements in all but one, Big Cypress. I wonder if anyone here can give me a breakdown of the 1973–74?

Mr. EVERHARDT. During the 4 fiscal years, 1972–75, a total of 32 new areas have been authorized by the Congress.

Senator BYRD. Would you list the new areas?

Secretary REED. Yes.

Senator BYRD. Are they national parks, or are they a combination of parks and——

Secretary REED. They are a combination: National lakeshores, such as Apostle Islands and Sleeping Bear Dunes, National Historic Sites such as Andersonville in Georgia, and Fort Point in California and Lincoln Home in Illinois. There are some fabulous areas, St. Croix, Chesapeake and Ohio Canal, right here near Washington. Voyageurs National Park was authorized in 1971 but was held up in court litigation until 6 or 7 weeks ago when the Minnesota Legislature paved the way for the Park Service to acquire and to man one of the most extraordinary areas in the lower 48 States.

Senator BYRD. Are these areas that have been directed by legislation, or have they been designated as areas administratively?

Secretary REED. No; every area on this list is by legislation.

Senator BYRD. All right. You supply the list, will you, please.

Secretary REED. Yes.

[The list follows:]

NEW AREAS AUTHORIZED DURING THE PAST 4 FISCAL YEARS, 1972–75

1972

Andersonville NHS, Georgia.
Apostle Islands NL, Wisconsin.
Fort Point NHS, California.
Sleeping Bear Dunes NL, Michigan.
St. Croix NSR, Minnesota and Wisconsin.
Gulf Islands NS, Florida and Mississippi.
Chesapeake and Ohio Canal NHP, Maryland and West Virginia.

1973

Lincoln Home NHS, Illinois.
Voyageurs NP, Minnesota.

1974

Buffalo NR, Arkansas.
Cumberland Island NS, Georgia.
Fossil Butte NM, Wyoming.
Gateway NRA, New Jersey and New York.
Golden Gate NRA, California.
Grant-Kohrs Ranch NHS, Montana.
Hohokam Pima NM, Arizona.
John D. Rockefeller, Jr., Memorial Parkway, Wyoming.
Thaddeus Kosciuszko NMem, Pennsylvania.
Longfellow NHS, Massachusetts.
Puukohola Heiau NHS, Hawaii.

1975

Big Cypress National Preserve.
Big Thicket National Preserve.
Boston NHP, Massachusetts.
Canaveral NS, Florida.
Clara Barton NHS, Maryland.
Cuyahoga Valley NRA, Ohio.
John Day Fossil Bed NM, Oregon.
Knife River Indian Villages NHS, North Dakota.
Martin Van Buren NHS, New York.
Sewall-Belmont House NHS, Washington, D.C.
Springfield Armory NHS, Massachusetts.
Tuskegee Institute NHS, Alabama.

ADMINISTRATION POLICY ON PARK EXPANSION

Senator BYRD. What about the agency itself? Were they directed by legislation over the opposition of the agency, or through the recommendations of the agency?

Secretary REED. The majority of these, sir, was with the full support of the administration under President Johnson or President Nixon. I see none of them that was passed over veto, and I see only one or two which we testified in opposition to.

CAMPGROUND RESERVATION SYSTEMS

Senator BYRD. There are two policy matters other than these that I wish you would discuss, with Director Everhardt joining in. What is the status of the camping reservation and park transportation systems, and where are they headed?

Mr. EVERHARDT. The campground reservations, Mr. Chairman?

Senator BYRD. Yes.

Mr. EVERHARDT. The situation with the campground reservation is that we are greatly aware of the situation that came upon us late last year. The contractor was unable to continue his obligation to the National Park Service in operating a nationwide reservation system. There were great problems associated with its operations. For example, the telephone access to the computer was inadequate for a nationwide system. There were lawsuits resulting in litigation at the end of the year. With all these problems facing us, we felt that it would be inappropriate because of the time factor, to try to impose a nationwide reservation system this year.

Why I mention time, Mr. Chairman, is that I found, as a recent superintendent, that the park superintendents need an adequate advance period to implement a campground reservation system. The

public also needs an advance awareness of how to gain access to the system and make reservations. We are utilizing this year's time to reassess the campground reservation. I think there is no question in our minds that a campground reservation system is a very desirable approach and we are looking forward to an early date following this camping season to reinstituting a nationwide campground reservation system.

PARK TRANSPORTATION SYSTEMS

Senator BYRD. What about the park transportation system?

Mr. EVERHARDT. There are 13 parks which now have transportation systems operating. Probaby the most wellknown at this time is the one in Yosemite Valley where we have been able to exclude private cars from the valley. There is a bus transportation system operated by the concessionaire, that moves people around the valley in a totally new environment than what they were familiar with. There are 12 other parks that are following this lead of several years ago that have initiated transportation systems. We have in our 1976 budget before you now, a request to undertake 9 additional studies in 1976 and have identified 20 other national park areas that we would like to study later for the possible implementation of transportation systems.

I think it is going very well in the areas that we have implemented it. It has in some cases saved lots of energy. For example, at Grand Canyon we found a substantial saving when comparing the amount of gasoline that would be required to move individuals around in private cars as compared with their moving in a bus transportation system. It has enhanced the visitor experience by giving the driver of the private car an opportunity to enjoy the park by relieving him of the responsibiilty. It has given us an opportunity, also, to expand our interpretation on these kinds of facilities.

Senator BYRD. Senator Stevens, before we proceed with Mr. Everhardt's statement, do you have any questions of Secretary Reed or Mr. Everhardt?

BICENTENNIAL PROGRAM

Senator STEVENS. Thank you, Mr. Chairman.

Mr. Secretary, this is just an impression, and I would be happy if you would correct me on it if I am wrong, but the Park Service is not coordinating sufficiently with the Bicentennial groups, as I see it. Those people who can't afford to come to the great eastern seaboard and the area of the Revolutionary period and visit those historic places described in this booklet that you provided us, which is a very fine booklet, would be unable to have any experience in parks that would be related to the Bicentennial.

Have you done anything to move into this period in terms of interpretation at all? Is there any way at all that the Park Service can participate in the Bicentennial for those people who can't drive this far or fly this far from the West?

Secretary REED. Yes; most assuredly yes, and I am going to ask the Director to flesh out to you exactly what the program has been. Over the last 4 years, Senator Stevens, one of the things that became very apparent to me when I came to town in the spring of 1971, was that unless the National Park Service was involved in a big way, I foresaw

that in the spring of 1976 the administration was going to be in a very embarrassed position in front of the Congress and the American people because it couldn't seem to get on top of an organized Bicentennial effort.

By the fall of 1972 I became despondent and recognized that the majority of the effort was going to have to be in the National Park Service area.

John Warner's ascendency to the chairmanship has given me new hope, but, of course, the time factor, the time lag of putting bucks to work to get something ready had gone by and Chairman Warner is faced with the fact that he can be innovative and imaginative, but he is not going to be able to lay any more mortar and brick between now and 1976.

We spent hours of work trying to get additional programs throughout the National Park Service and those were usually turned down for fiscal reasons by OMB. However, we did come up with a program which was supported by OMB and by the various Bicentennial coordinators and leaders that have been in this town.

I am going to ask the Director, with that background, to answer specifically what he plans to do in other areas besides the east coast areas.

Mr. EVERHARDT. Certainly, Senator Stevens, if the Bicentennial is going to be effective it has to reach the maximum number of people, through a nationwide Bicentennial program in all areas of the National Park System.

In the 1976 program we have requested a $5 million increase for special activities with regard to the Bicentennial. I can assure you that almost every area of the National Park Systems, East, West, North, and South, will be involved in Bicentennial activities. Interpreters will incorporate a Bicentennial theme for example, on the talks along nature hikes. They will be emphasizing Bicentennial in the interpretative programs at the campfire programs at night. They will be emphasizing Bicentennial celebrations in their relationships with people outside the Park community.

We recognize, as you, that many people are not going to get to the eastern seaboard, so their one Bicentennial experience could very well be in a national park in the West, or the Midwest, or the Southwest, or so forth.

We can certainly provide you with a list of programs. For example at Padre Island, we are going to be working with the Boy Scouts there doing historical demonstrations appropriate to that area. Pecos National Monument in New Mexico will be cooperating with Indian Tribes in coordinating an Indian Fair that is typical of that country. Grand Teton National Park in Wyoming will have demonstration of fur trade activities, that exemplifies that period of time. So all parks have a program of Bicentennial activities to relate to our 200 years of history.

Senator STEVENS. I am happy to hear that. I think there are some areas that predate the Revolution that don't seem to be getting an interpretation and the emphasis that the great historical monuments of the Revolutionary period are getting.

Secretary REED. We had a terrible time agreeing upon a list. 1971 was spent arguing over that list and to keep the money in the budget

in successive years required a tremendous support of Senator Bible and Congresswoman Julia Butler Hansen, because if we had not followed a definite budgetary sequence which concludes this year, we would not have had things ready, and every year there was a fresh assault on that budget.

Even though we were trying to construct something, every year there would be a run at that money and I think I have spent more time on the budget in the last 4 years trying to hold onto that money for a Bicentennial program than almost anything I have done.

Senator BYRD. What is the amount we are talking about?

Mr. EVERHARDT. About $100 million for construction during the past 3 years. This year we are requesting $9.1 million to carry out the operations of these completed facilities, the new visitor centers, newly renovated vistor centers and interpretive programs.

FISCAL 1976 BICENTENNIAL FUNDING

Senator BYRD. What is the total amount in this budget we are talking about here?

Mr. EVERHARDT. $9.1 million for Bicentennial operations. Our Bicentennial construction program will be coming to an end in 1975. We have practically obligated almost all of $100 million for the reconstruction and new construction in the 23 Bicentennial areas, and the final work will be, hopefully done by January 1976. I can assure you, Mr. Chairman, we are on time and barring any unforeseen problems in the future, we are looking forward to meeting our obligation with respect to completing this program.

Senator BYRD. Of the $5 million increase for "Special Bicentennial Events," $2 million is for other services including contracting. How will you utilize that money?

Mr. EVERHARDT. Other services for "Special Bicentennial Events" would include installation and disassembling of stages, podiums, display areas, and other required facilities for such events; contract services for lighting and sound systems to be used for the planned lectures, dramas, and demonstrations. There would also be a need for additional assistance in keeping the areas maintained and cleaned up as a result of the heavy visitation to these events. Also relevant would be services of performers, directors, and technicians in producing the dramas and historical vignettes.

Senator BYRD. How much of the "Special Bicentennial events" funding is for participation in the American Folklife Festival here in Washington?

Mr. EVERHARDT. Of the total $5 million, $500,000 is for support of this event.

STAFFING BICENTENNIAL FACILITIES

Senator BYRD. $2.5 million and employment increases are requested for staffing new Bicentennial facilities, mainly on the eastern seaboard. Give us some examples of where and how this increase will be used.

Mr. EVERHARDT. The largest request for staffing, Senator, is at Independence where we are asking for 27 additional positions and $739,800. Twelve park technicians and a clerk-typist are needed for operating the $4.5 million visitor center on a 7-day-a-week schedule. Four

interpretive technicians are needed to handle the increased visitation at Independence Hall. Ten rangers and technicians will be assigned to operate and interpret the Jacob-Graff House, where Thomas Jefferson drafted the Declaration of Independence; the Franklin Court; and the newly acquired Bringhurst House and Deshler-Morris House. The $739,800 requested is for salaries of these positions, and for maintenance and janitorial services that will be done by seasonal employees and by contract; and for utilities, supplies and materials, uniform allowances, and other support costs.

Down at Guilford Courthouse National Military Park in North Carolina, we are requesting one janitor and one park technician at the new visitor center.

We are requesting six park technicians and $259,600 at Colonial National Historical Park, Va., for the expanded Jamestown and Yorktown Visitor Centers. We need additional seasonal employees to interpret and maintain the restored Nelson, Smith, and Ballard Houses, and their related outbuildings and gardens in the historic complex at Yorktown. We have some new and sophisticated audiovisual systems at the visitor centers and at Surrender Field, fire and intrusion detection systems in the historic buildings, an improved lighting system in the parkway tunnel at Williamsburg. All of these require monitoring and contractural support to protect our investment and serve the visitor.

At Fort Stanwix in Rome, N.Y., we are requesting four permanent positions and $106,700 for initial operation of the fort which is now being constructed.

And, of course, Mr. Chairman, here in Washington, we have the National Visitor Center which we have talked about earlier today. We are requesting $462,100 for 2 months' funding, but there are no positions included at this time.

Senator BYRD. Detail for the record where the funding will be allocated.

Mr. EVERHARDT. Yes, sir, we will provide a list of park areas and dollars.

Senator BYRD. Another $1.5 million is for existing Bicentennial facilities. Please supply the breakdown for allocating these funds.

OPERATION OF NEW FACILITIES

Mr. EVERHARDT. Mr. Chairman, the $1.5 million is for operation and readying existing facilities to meet increased visitor use during and following the Bicentennial celebration. The list will also be provided for the record.

[The information follows:]

DETAIL OF INCREASES FOR OPERATING
NEW FACILITIES IN BICENTENNIAL AREAS
FISCAL 1976

Region and Park Area	Budget Request
NORTH ATLANTIC REGION:	
Adams NHS	$ 18,200
Fort Stanwix NM	106,700
Minuteman NHP	25,600
Morristown NHP	82,200
Saratoga NHP	41,800
Total North Atlantic Region	274,500
NATIONAL CAPITAL PARKS:	
National Capital Parks-East	149,900
National Capital Parks-West	322,800
National Visitor Center	462,100
U.S. Park Police	125,300
Total National Capital Parks	1,060,100
MID-ATLANTIC REGION:	
Colonial NHP	259,600
Fort McHenry NM & HS	53,900
George Washington Birthplace NM	67,200
Independence NHP	739,800
Thaddeus Koscuiszko NMem	6,400
Total Mid-Atlantic Region	1,126,900
SOUTHEAST REGION:	
Guilford Courthouse NMP	8,800
Kings Mountain NMP,	61,300
Moores Creek NMP	--
Total Southeast Region	70,100
MIDWEST REGION	
George Rogers Clark NHP	63,400
Total Midwest Region	63,400
TOTAL	$2,595,000

DETAIL OF INCREASES FOR OPERATION AND READYING EXISTING FACILITIES TO MEET DEMANDS OF INCREASED VISITORS DURING THE BICENTENNIAL AND BEYOND FISCAL 1976

Region and Park Area	Budget Request
ROCKY MOUNTAIN REGION:	
Big Hole NB	$ 4,300
Black Canyon of the Gunnison NM	2,800
Bryce Canyon NP	5,000
Canyonlands NP	8,600
Cedar Breaks NM	5,600
Custer Battlefield NM	33,300
Devils Tower NM	22,300
Dinosaur NM	2,300
Florissant Fossil Beds NM	7,000
Fort Laramie NHS	600
Golden Spike NHS	2,900
Great Sand Dunes NM	27,200
Jewel Cave NM	8,900
Pipe Spring NM	2,200
Rocky Mountain NP	3,700
Shadow Mountain RA	14,100
Theodore Roosevelt NMemP	4,000
Timpanogos Cave NM	5,000
Wind Cave NP	35,500
Yellowstone NP	15,200
Zion NP	48,400
Total Rocky Mountain Region	258,900
NORTH ATLANTIC REGION:	
Acadia NP	$94,900
Cape Cod NS	12,700
Fire Island NS	78,100
Gateway NRA	153,000
Home of Franklin D. Roosevelt NHS	22,200
Saint Gaudens NHS	14,800
Saugus Iron Works NHS	7,000
Regionwide Park Professional Services	48,000
Total North Atlantic Region	430,700
Chesapeake and Ohio Canal NHP	68,300
Potomac Islands NBP	17,200
Total National Capital Parks	85,500
MID-ATLANTIC REGION:	
Delaware Water Gap NRA	$18,700
Total Mid-Atlantic Region	18,700

Region and Park Area	Budget Request
NATIONAL CAPITAL PARKS:	
SOUTHEAST REGION:	
Andersonville NHS	$11,100
Gulf Islands NS	15,600
Virgin Islands NP	44,400
Total Southeast Region	71,100
MIDWEST REGION:	
George Washington Carver NM	$24,700
Lincoln Home NHS	11,000
Ozark National Scenic Riverways	37,800
Total Midwest Region	73,500
SOUTHWEST REGION:	
Arkansas Post NMem	$ 2,000
Bandelier NM	6,000
Buffalo NR	74,000
Gran Quivira NM	17,800
Lake Meredith RA	31,100
Padre Island NS	5,500
Total Southwest Region	136,400
WESTERN REGION:	
Death Valley NM	40,200
Golden Gate NRA	260,400
Grand Canyon NP	111,100
Total Western Region	411,700
PACIFIC NORTHWEST REGION:	
Headquarters Office Alaska State Director	1,100
Crater Lake NP	13,100
Craters of the Moon NM	5,400
Mount Rainier NP	14,300
Nez Perce NHP	8,400
North Cascades NP	22,200
Total Pacific Northwest Region	64,500
Grand Total	$1,551,000

POLICY ON CAMPING FACILITIES

Senator STEVENS. Let me change the subject. Is there a policy now in the Park Service, an expressed policy, to discourage camping and the use of camping facilities within the various parks?

Secretary REED. We have been trying to give as much emphasis to the private enterprise system on the out side of many parks, Senator Stevens. We nevertheless recognize an obligation to encourage camping within the boundaries of almost all the parks, but we have been working very closely with KOA, Kampground of America and other camping interests, to provide wherever possible, facilities on the outside of parks which would put money back into the private enterprise system.

Director Everhardt, would you like to amplify on that?

Mr. EVERHARDT. I think our posture has been to look at each park individually, and where there is an opportunity to work with the community in the development of campgrounds outside the park, such as in the case the Secretary mentioned with respect to KOA or other private individuals, we have done so and we are trying to adhere to that policy. I think that you can see that this gives a new stability, economically, to the adjacent community. It certainly protects a park resource if there was a likelihood of damage from the construction of the campground. I think the important thing, Senator, is that we are approaching this on an individual park basis. You can't propose a broad policy which will apply to every area because each park is very individual.

Senator STEVENS. I think I have expressed it before, but it seems to me that places a greater burden on the younger sector of the population that travels in station wagons, have babies and want to have a camping experience but really can't afford some of those places that you are talking about.

Does this policy extend also to discouraging the utilization of overnight accommodations in motels within the park?

Mr. EVERHARDT. I think I would like to answer the first question, Senator, with respect to my finding that people did feel better about paying for a campsite, even in a national park. We do have fees for overnight camping authorized under the Land and Water Conservation Fund Act. These fees are on a comparable basis with campground facilities in an adjacent community. The people that I have talked with felt like it gave them a great opportunity to personally do something to support the National Park System. These funds are returned to the Park Service upon appropriation for improving the administration, protection, and overall operations of the campgrounds and other facilities. And I think the American public is receptive to this program.

With respect to the overnight accommodations, motels, hotels, and so forth, I think the same principle applies. That is, where these facilities can be developed in the adjacent community and can bring a new opportunity for private enterprise to be involved, and a new economic stability to the State itself, and to the local community, and in instances where there are questions about the impact of the park environment, then this is the direction we have been going, here again on an individual park master plan assessment basis.

Secretary REED. At the same time, I would like to add that we are not threatening any of the basic concession areas' enterprises within the existing park system that have been part and parcel of the maintenance of a park system all these years. Former Directors Mather and Albright expressed the need for private enterprise within the boundaries of the parks that provided a good night's lodging and a good hot meal, and those have been basic components of the concessionaires' services for many, many years. They still are.

Senator STEVENS. I won't prolong it, but again it just appears to me just from seeing some of the facilities in our own State and some of the great Western parks that are so large, that the burden is upon these young travelers with their young children to go out—they go into the park and they go out at night and must drive back in again the next day if they want to be there more than 1 day. It is a complicating factor as compared to the days when you went into Yosemite or Yellowstone and could stay at a campsite and get up in the morning and look around and experience the beauty of the park in the morning or late evening. I find that—at least my impression is that you are tending toward a policy of getting everybody out at night.

Secretary REED. No, sir.

Senator STEVENS. And into the community at night and back in the morning. That to me is very much of an inconvenience.

Secretary REED. I understand your question perfectly, Senator. I think you would find, and I would be delighted to furnish it to you and the committee for the record, the number of campsites available within Yosemite or Yellowstone now. They are a staggering number and in very diverse areas of the park, and are open to the public.

I would say in many of the 90 new areas that have been authorized in the last 10 years or so, we have encouraged private enterprise outside the park to provide the first services. One of the reasons for it is that we haven't had a construction budget to even begin to put in the facilities ourselves. But I agree with you, I think it would be terribly difficult to come to Yellowstone and not be able to camp inside the park and we have put in the enormous investment, sewage facilities to allow the operation of those campgrounds throughout the internal section of the park. The same applies to Yosemite.

ENTRANCE FEES

Senator STEVENS. What is the status of your review of the user charge in relation to visitation? I remember during the Eisenhower administration there was a great conflict over whether or not these user charges should be raised. I noticed in the three park areas I was in in the last year charges don't seem to have gone up much in 20 years. Have you reviewed that user charge in relationship to the burden of the operation of the parks, and whether or not the camper should pay any additional amount?

Mr. EVERHARDT. Senator, the legislation requires us to review that annually. As I said earlier with respect to campground site costs or fees——

Senator STEVENS. I am talking about the entrance fee itself. What is your annual entrance fee now?

Mr. EVERHARDT. You can buy an annual entrance fee for $10, the Gold Eagle Passport.

Senator STEVENS. That is good anywhere in the country?

Mr. EVERHARDT. Anywhere there is a designated fee area.

Senator STEVENS. That, as I recall, was set sometime back in the 1960's wasn't it?

Mr. EVERHARDT. Yes; in 1966.

Secretary REED. I think it was raised to $10 only a year ago. It opened at $7 and I remember testifying on a $10 fee, so I am confident it has taken place in the last couple of years.

Senator STEVENS. A user charge was associated in 1966 for a Golden Eagle. Was that $5?

Secretary REED. I thought it was $7. We do examine fees on a year-to-year basis. I think the campground fees have gone up slightly. You remember, you passed very good legislation 2 years ago which allowed us to put that money collected back into the park system, and so we were able to charge off collections against the fees received and that allowed us to begin to collect a great deal more money throughout the system. It was very important legislation.

USER FEES

Senator STEVENS. Maybe my State is not representative, but I remember when the chair lift was $4 a day and it is now $20 a day. There are 15 times as many chair lifts as there used to be. I think there is an area where people would be interested in increasing their support, particularly with what you are talking about now, lack of financial capability to open up the new areas. I would think a user fee ought to be reexamined from the point of view of whether there should be an increase.

Secretary REED. I think you have a good point, Senator Stevens, and I think it perhaps is time for us to reexamine the basic fee. I would hate to change the fee level for the elderly, but I agree with you. I think it is time we had a look at it, and I think we will give you our assurance right now that we will make that examination.

Senator STEVENS. Thank you.

Senator BYRD. Senator Hatfield, before we hear Director Everhardt's prepared statement, do you have any questions of Secretary Reed?

CAMPGROUND RESERVATION SYSTEM—LITIGATION

Senator HATFIELD. Thank you, Mr. Chairman. I am sorry I was a little late, but I did read the Secretary's statement.

First of all, I wonder if you could give us an update, or view, on the litigation relating to the contractor being unable to carry through with the campground reservation system?

Secretary REED. I will ask the Director to bring you up to date on that.

Mr. EVERHARDT. That has been resolved, and we are proceeding with analyzing the past year's experience with campground reservations. We look forward to a new campground reservation system at an early date. We will not have a campground reservation system this summer because of the time factor involved.

Senator HATFIELD. How was it resolved?

Mr. EVERHARDT. The U.S. Attorney and the contractor settled the dispute out of court.

Senator HATFIELD. Did we recover any money? I happen to have been a member of the Senate Interior Committee when we sat through some long hearings about cost of the reservation system, and the failure of the reservation system from the beginning to get off the ground and, as I recall, we expended a great sum of money.

Mr. EVERHARDT. I would like to call on John Cook, our Associate Director for Park Operations, Senator, if I may.

Mr. COOK. Senator, as the Director commented, the case was settled out of court with the Justice Department handling the case for us. The settlement returned to the United States those fee moneys that were collected into the Land and Water Conservation Fund. There was aa final aspect to the settlement for damages to the contractor. This was paid for out of the Justice Department Settlement Fund, but the moneys that the special subcommittee was concerned about were returned to the United States, and deposited with the Land and Water Conservation Fund fees.

Senator HATFIELD. In total?

Mr. COOK. In total; yes.

Senator HATFIELD. Would you give for the record a financial statement of that settlement, how much money had been appropriated by this committee and how much money was returned from the settlement to the General Treasury or to the Land and Water Conservation Fund?

Mr. COOK. Certainly, sir.

[The information follows:]

The Justice Department negotiated an out-of-court settlement of the suit the United States brought against Park Reservation System (PRS) for recovery of camping fees collected and held by PRS. The compromise agreement, executed February 4, 1975, provides that the $220,131 deposited with the court by PRS be turned over to the United States, along with accrued interest. In addition, the reservation fees collected by the National Park Service on behalf of PRS, amounting to $18,366 and held by the Justice Department, were returned to the NPS. All of these funds totalling approximately $240,000, have been deposited in the recreation fee account which is administered in conjunction with the Land and Water Conservation Fund. This is in addition to the $155,658.50 in camping fees paid to the NPS by PRS in August 1974, and deposited in the recreation fee account. The compromise agreement also provides for a payment from the United States to PRS of $87,500. This was paid from the Justice Department's Judgment Fund and was not made from recreation fee funds or other funds appropriated to the NPS.

To date, the Congress has appropriated $39.2 million from fees collected, $27.3 million in Fiscal 1974 and $11.9 million in Fiscal 1975.

EMPLOYMENT IMPACT OF DEVELOPMENT PROGRAM

Senator HATFIELD. I understand that Chairman Byrd had raised some question of the Secretary on a matter of accelerating construction work as to the impact that might have on employment. In the Subcommittee on Public Works we have asked each of the agencies to provide us with work, with man-days, and man-years, potential for such employment, for acceleration. Now, I distinguish between the existing projects and new projects in that the lead time is rather minimal in existing projects.

If the chairman has already asked for this information, then I am sorry to bring it up again. But I would also like to have information

on construction potential and the lead time estimates on the new construction, because this will fit very nicely, Mr. Chairman, with the Public Works Subcommittee information we are gathering to try to take a look at what the Federal Government's role might most effectively be in dealing with the unemployment problem today.

Secretary REED. The question is a very sound one you and the Chairman have raised. We were able to identify what $40.5 million did in the way of a job opportunity program employment. We will have to study and report to you what a regular development of $40 million would have in the way of employment. It is difficult without saying what specific projects are involved. If it is a trail, it is x numbers of dollars and manpower, if it is a road, a visitor center, the ratios vary but we will try to give you a comparison. What do you get for your dollar spent in the areas.

Senator HATFIELD. Especially when you translate it into man-days and man-years, because I would emphasize that, for those who tend to oppose this approach, that if you deal with the existing commitments and then deal with the problems of accelerating those commitments, we are not really undertaking new budgetary commitments that will bloom down the road, so to speak, in the next fiscal year or 2 or 3 fiscal years ahead. But I do feel that there are possibilities at least in the Corps of Engineers and Bureau of Land Management and others, and I am sure in yours, where we have a commitment to projects. But the project is phased in on an annual budget basis, and if we somehow could raise the amount to complete that project on an accelerated basis, it could have an impact on the problem.

Secretary REED. Very definitely.

JOHN DAY FOSSIL BED NATIONAL MONUMENT, OREG.

Senator HATFIELD. Mr. Secretary, I understand that you did mention new areas where no funds are provided for development, such as the John Day National Monument. I believe that was one of the list that you gave to the committee?

Secretary REED. Yes, sir.

Senator HATFIELD. May I confirm that?

Secretary REED. Yes; John Day, a new area, passed after this budget that is before you were formulated and the readout on it, five permanent employees, 0.4 man-year, amount to $145,000 to begin operations there.

RECENTLY AUTHORIZED AREAS

Senator HATFIELD. If Chairman Byrd already asked you this, ignore my request. But if I might associate myself with his questions, to ask you to provide us with the possibilities of employment in these as new projects as distinguished from acceleration of existing projects and any new projects.

Secretary REED. Yes; because we have the basic outlines of what we would like to do not only operationally but under construction programs at these new areas, so I would be able to furnish you and the chairman and members of the committee with that information.

Senator HATFIELD. What we are also looking at—when you are making capital investments in these construction programs, you are con-

tributing to the basic economy on a long term basis rather than the short term benefits that may accrue from strictly a public service type of approach.

Secretary REED. Quite correct.

Senator HATFIELD. You get a multiplier impact that you don't get in public service. In public service so far, Mr. Chairman—and I don't know how it is in your area—we are finding it is a transfer of payment where they are paying up employees who have been discharged from local government projects or programs, picking them up and continuing them in the present assignments but on Federal funds.

CIVILIAN CONSERVATION CORPS PROGRAM

Secretary REED. The best work that has ever been done in the National Park Service and in the Forest Service lands, I think as a parkgoer, and the chairman is aware, was the CCC construction program. It was a job opportunity and capital investment program. Among the best bridges, the best visitor centers, the best restrooms, the best of everything that we have within the Park Service, I might add the best architecture came from that very, very interesting program. The Forest Services can testify identically. It has testified with me in front of Chairman Yates on that same subject.

Much of the basic Park System's capital facilities were built by the CCC employees.

Senator HATFIELD. If you want to go back to the history of that you will find that it started with the idea in the 1932 campaign of a public works approach when then Governor Roosevelt at that time said he felt there could be a million men put to work planting trees. But the Forest Service studied that figure and said, "Yes, that is possible, but for only 3 days." So, consequently, there had to be a broadened base to use the capital investment approach. They not only planted trees but developed paths and trails and visitor centers.

NATIONAL REGISTER OF HISTORIC PLACES

One other question, relating to the historic preservation program and the National Register of Historic Places that you maintain: I notice on page 3 that you address yourself to that, and you make this statement—you say, "Federal agencies are required by law to consider the effect of any Federal or federally assisted program on properties identified in the National Register."

Mr. Secretary, does this mean that if I were to give you a hypothetical case, you would give me the meaning as to what this statement actually is? Let's say you have a Federal military reservation of some kind or military property in which there is an historic building of some kind. What would be the responsibility of the military agency on whose property this building exists? What would be their responsibility in following through, once that building had been declared an historic landmark or had been placed on the Register?

Secretary REED. I am delighted you asked, because last year I had the good fortune of dedicating one on Federal military property here in the District at the War College, one of the most beautiful arrangements of buildings, I think, in the District. Jerry Rogers, who is rep-

resenting the Associate Director, Professional Services, is here. May I ask him, Senator, to give you a specific answer to that?

Mr. ROGERS. The responsibility of the Federal agency that owned or had jurisdiction over the property would be to identify it and apply the criteria for the National Register of Historic Places. If it appeared to meet the qualifications for the National Register, the agency would be obligated to nominate it to the National Register. If property were accepted and added to the National Register, then it would also be the responsibility of that agency to maintain and administer the property in accordance with the basic standards for proper preservation of historic properties as established by the Secretary of the Interior.

Senator HATFIELD. Including rehabilitation?

Mr. ROGERS. Yes.

Senator HATFIELD. What if the agency that owns the property has not taken this initiative to nominate the property for the National Register? What happens under those circumstances?

Mr. ROGERS. The National Park Service attempts to work with the agency to explain to them their obligations under Executive Order 11593, which provides this direction, and assist them in making the evaluation to determine whether the building is or isn't sufficiently significant—to assist them in making the nomination.

AGENCY RESPONSES ON HISTORICAL SITES

Senator HATFIELD. Have you had satisfactory responses from any initiative you have taken toward other agencies?

Mr. ROGERS. I would say we have had superb response in most cases. The Executive order was issued in 1971, Senator, and it takes awhile, to get people who are not accustomed to thinking in terms of historic resources to think of them as resources. But the Federal agencies in general are mobilizing their efforts right now and are beginning to produce nominations at a fairly rapid pace.

Senator HATFIELD. You have circulated, I assume, certain criteria and certain offers of assistance to the various agencies of the Federal Government?

Mr. ROGERS. Yes, Senator, and we have held workshops to assist them in learning how to make professional judgments and decisions as to whether a property should be nominated.

Senator HATFIELD. Is it up to the agency, then, to seek the proper funding for whatever rehabilitation or maintenance is required of such a designated building or site?

Mr. ROGERS. Under the terms of the Executive order, the Federal agency is responsible for maintaining that historic resource according to proper standards and to seek the necessary funding.

Senator HATFIELD. You are not aware of any slippage in this process between the initiative taken by an agency, a declaration by your Department to place it on the National Register, and then the seeking of funds to rehabilitate and maintain it?

Mr. ROGERS. I couldn't think of a specific instance, but I would have to acknowledge that Federal agencies in general are following the sequence that you just described, and that seeking the funding to maintain the property usually becomes the last step in the sequence.

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

STATEMENT OF GARY E. EVERHARDT

Senator BYRD. Now, Director Everhardt, if you will proceed with your statement. Your prepared remarks will be printed in full in the record.

[The statement follows:]

Mr. Chairman:

It is indeed an honor for me to appear before this Committee for the first time as Director of the National Park Service to justify our budgetary requests.

Mr. Chairman, I would like to congratulate you on your selection as Subcommittee Chairman. Also, I want to assure you and the members of this Committee of my full cooperation in apprising you of the programs of the National Park Service and the establishment of a mutual objective in furthering these programs in accordance with the mandate of Congress.

I undertake this appointment with a great sense of pride. Looking back over my 17-year career in the field, with my most recent assignments at Grand Teton and Yellowstone Parks, I come here today deeply committed to the goals and objectives of this organization. My first concern is to provide guidance and support in administering the areas of the National Park System for the purposes of preserving the unique resources of each area and providing for the enjoyment of the visiting public.

I am keenly aware of the tremendous challenge before me and the critical choices now facing the Service. My immediate role will be in taking a candid assessment of the problems now confronting the National Park Service. Some of my most immediate concerns which the Service must come to grips with are: The rapid expansion of the National Park System and the accompanying funding and manpower needs; the changing role of the Service in managing more diverse areas within the System; the need for greater sophistication and refinement of our planning processes and a plan to carry out development of facilities within the parks.

These issues must be weighed against a background of a tight national economy and the need to promote an ethic of energy conservation. At the same time, we must recognize the dramatic change in American lifestyle over the last 2 decades, where the public's need and right to participate in leisure activities have become increasingly more acute. This movement has resulted in a continual increase in visitation to areas of the National Park System and contributed to the growth and development of the recreation-oriented industry, an important sector of our economy.

It is pertinent to point out that just 20 years ago, in 1955, the Director of the National Park Service, Conrad Wirth, presented the first "Mission 66" plans to the Congress. As a result of an enormous increase in visitation to the parks following World War II, brought on by an increase in leisure time, greater mobility and a continually higher standard of living, and the long period of restrictive budgets, parks were plagued with inadequate and deteriorating facilities. The Mission 66 program was a 10-year development program costing in excess of $1 billion and was designed to bring facility development up to standards. It also launched an unprecedented era of development and expansion of the National Park System. Upon its completion, the Service was in the midst of yet another surge in visitation.

Another significant component contributing to the growth of the System, is the number of new areas authorized. In 1955, there were 194 units in the National Park System with visitation of 50 million; today there

are 287 park units and 15 affiliated areas with visitation estimated at 218 million. Essentially, we have added almost a second National Park System in the past 20 years in terms of management requirements.

This continuous uninterrupted expansion of the System has become almost routine. Unfortunately, it has brought serious stress on the organization and is the basis for the critical issues now facing us. This expansion has placed an additional burden on our administrative processes in meeting legislative requirements.

In some ways, conditions faced by the National Park Service today are similar to those of 1955. Then our need was primarily for development funds, a critical need at present. During the fiscal years 1971 and 1972, our first budget priority was for pollution abatement. During the fiscal years 1973-1975, our first budget priority has been for the 23 Bicentennial parks. For this period of 5 years there has been almost no development funds for the remainder of the National Park System, and our development backlog has reached the figure of $3 billion.

The continual need to staff our new parks has forced us to move people from place to place too rapidly with insufficient time for personnel to become deeply knowledgeable about the park.

Beyond the immediate concern of providing funding and manpower for an expanding System, is the need to apply new management approaches in administering a system of more diversified units. Many of the new parks are unique--cultural parks, urban parks, riverways and seashore parks and scientific reserves which do not lend themselves to the management techniques of the more traditional park areas. As a result of managing so many different kinds of parks, serious controversies have developed over the way we administer these park areas. Several current issues we will be dealing with in this framework are:

-- The Service's relationship with the park concessionaire and overall policy relating to concessions.

-- The total planning process and the need to reflect on the national debate involving the balancing of energy, production and environmental protection and the more fundamental question of use versus preservation.

-- The role of the Service in administering urban parks such as the model Golden Gate and Gateway Recreation Areas. While the Service recognizes the need to provide for outdoor recreation in major urban centers, the Service, already overburdened with the rapid expansion of the System, must consider with great selectivity the national significance of each proposed area.

-- We need to continue the program of public transportation in certain park areas where private vehicles are causing irreparable damage to park resources. Our experiences with the 13 systems currently in operation have been successful in enhancing the visitor's experience as well as reversing the adverse impact on the resources.

-- Continuing the planning and preparation of legislative support data for congressional action on the Alaska proposals.

One overriding consideration, ever present in determining the future direction of the National Park System, is the present state of the economy. The present recessionary and inflationary factors require most people to budget family spending and to eliminate or curtail the non-essentials. The Service, too, faces the same situation and must take similar steps. To more efficiently manage within limited dollars and manpower, I propose to reevaluate our policies and program priorities. Accordingly, I have initiated two studies. The first will be undertaken by a Policies and Priorities Task Force which will review the objectives and priorities of the Service to redefine our goals. The second will be a Manpower Requirements Task Force which will place particular emphasis on setting standards for manpower requirements. This review will draw upon regional and park people and is aimed at determining the most effective use of available manpower.

Other areas for which I propose immediate consideration are:

-- Field evaluation of requirements needed to reinstitute a campground reservation system.

-- More emphasis on improved interpretive activities, including National Environmental Study Areas and National Environmental Education programs.

-- More considerations toward regional planning with citizen participation.

-- Greater emphasis toward preservation of historic resources in park areas to prevent the loss of original historic fabric. More attention also needs to be directed to improved maintenance and rehabilitation of existing facilities, many of which are totally inadequate or in a deteriorating condition.

I appreciate this opportunity to discuss with you some of my immediate concerns. I would now like to summarize the composition of the Fiscal 1976 Budget.

SUMMARY OF THE 1976 FISCAL YEAR BUDGET

The Fiscal 1976 budget request for the National Park Service totals $346.8 million, a net increase of $3.7 million when compared with the amount estimated to be available in Fiscal 1975.

The increase is distributed among the following major programs:

1. Bicentennial activities program ($+9.1 million). This increase will fund operations for a total Bicentennial activities program at areas throughout the National Park System.

2. To stabilize and maintain the present System ($+5.8 million). This amount is needed to allow greater emphasis on improving mainte-

nance, interpretation, visitor protection and safety and resource preservation programs.

3. Volunteers-in-Parks Program ($+150,000). This increase is requested to expand the VIP program to allow greater participation in areas now operating the program and to initiate the program at additional park units.

The Fiscal 1976 budget for the National Park Service reflects a change in emphasis in that increases in operating programs are proposed while decreasing the Service's development program. The reduced construction program level recognizes the completion of funding, in Fiscal 1975, of the Bicentennial development program. Further, it permits the Service to readjust after the workload associated with the Bicentennial to an improved sequential planning, design, and construction schedule necessary for future general National Park Service development.

DONATIONS

I am pleased to acknowledge the numerous donations received this past year that contribute significantly to the futherance of park programs.

During the 1974 calendar year, cash donations of $2,421,431 and lands and structures valued at approximately $515,623,000 were received. Most significant of these contributions is the donation of 16,675 acres by the city of New York for Gateway National Recreation Area. This parcel is valued at $510 million including improvements valued at $10 million.

In addition to these donations from sources outside the Service, I take special pride in reporting to you the contributions made by Service employees.

On a Servicewide basis for the leave year ending January 4, 1975, our employees forfeited a total of 38,072 hours of annual leave valued at more than $349,000. I believe this contribution reflects our employees' willingness and desire to carry out Service operations at every level and ultimately improve the quality of the park experience for the 218 million visitors.

One further consideration, I wish to call to the Committee's attention, is the Volunteers-in-Parks program. In Fiscal 1974, some 5,000 persons contributed 306,690 hours. Through this program, people of many backgrounds have brought an added dimension to the Service's programs most notably in living history programs, interpretation, arts and crafts, archeology, history and environmental study areas. While not a substitute for permanent or seasonal employees, these volunteers have contributed their time at 145 park areas to enrich the park visit for the public.

Mr. Chairman and members of the Committee, with the help of key members of my staff, accompanying me today, I would be pleased to answer any questions you may have concerning programs of the National Park Service.

Thank you very much.

BACKGROUND REMARKS

Mr. EVERHARDT. I have a prepared statement for the record and with your approval I would like to briefly highlight a few aspects of the statement.

I would like to also add to what Secretary Reed has said with respect to congratulating you on your selection as subcommittee chairman. I want to assure you and members of this committee of my full cooperation in apprising you of the programs of the National Park Service.

My appointment as Director of the Park Service comes after a 17-year career in the field with my most recent assignments being at the Grand Teton and Yellowstone National Park in Wyoming. I come here today in acceptance of this post deeply committed to the goals and objectives of the National Park Service and in carrying out the mission of the Service in the same manner as the Directors preceding me.

DIRECTOR'S ROLE

My first concern is to provide guidance and support in administering the areas of the National Park System for purposes that have been mandated to us by the Congress of the United States. My immediate role will be in taking a candid assessment of the problems now confronting the National Park Service, such as the rapid expansion of the system and the accompanying need for funding and for manpower; the changing role of the Service in managing more diverse areas; the need for refinement of our planning processes; and a plan to carry out development of facilities within the parks.

These issues must be weighed, I think, Mr. Chairman, against a background of a tight national economy and the need to promote an ethic of energy conservation. We must, however, recognize the dramatic change in American lifestyle over the past two decades where the public's need and the right to participate in leisure activity have become increasingly more acute. I think this movement over the years has resulted in a continued increase in visitation to the National Park System, and has substantially contributed to the growth and development of the recreation-oriented industry that abounds in the States and communities surrounding areas of the National Park System.

PARK EXPANSION

In 1955, the then Director of the National Park Service, Conrad Wirth, presented the first "Mission 66" program. This program was a 10-year development program costing in excess of $1 billion, and was designed to bring facility development up to standard. This program also launched an unprecedented era of development and expansion of the National Park System that is still continuing today.

In 1955 there were 194 units in the system, with visitation of about 50 million. Today, Mr. Chairman, there are some 287 park units, and 15 affiliated areas with a visitation during 1974 of approximately 217 million. So I think essentially what we are seeing is that we have almost added a second National Park Service in the last 20 years in terms of management requirements and our operational needs.

Beyond considering this expansion in terms of net growth, the challenge remains to apply new management approaches in administering a system of more diversified units.

FISCAL 1976 BUDGET

We are pleased to have the opportunity to testify before you today on the fiscal 1976 budget. The request for the Service totals some $346.8 million, which is a net increase of $3.7 million when compared with the amount estimated to be available to us in 1975. The increase is distributed among the following major programs: Bicentennial activities, $9.1 million; to stabilize and maintain the present system, $5.8 million; and the VIP program, or the volunteers-in-parks program, $150,000.

I see in the fiscal 1976 budget, Mr. Chairman, for the Service to reflect a change in emphasis in that increases in operating programs are proposed while a reduction is being taken in the construction program levels.

I would just like to mention a couple of items, Mr. Chairman, that I will be evaluating our programs and hopefully giving some renewed emphasis to so when we come before you in 1977 with our request, we will be reflecting emphasis on several items. One of these will be a renewed emphasis on improved visitor interpretation in the National Park Service which would include the environmental education programs. Other areas we will be considering are: evaluation and reinstitution of a campground reservation system which we have already discussed this morning in some detail; more consideration toward regional planning and public involvement; greater attention to historic preservation in park areas to prevent loss of the historic fabric that the National Park Service is mandated to protect; more attention to the rehabilitation of existing facilities that are showing deterioration as a result of restrictive funding levels needed to keep them in good repair. Certainly other items of major concern are our concession policies, operating procedures, and the role of the National Park Service in the urban park recreational effort of today.

We would like very much to work with you and this committee in developing a posture of adopting new policies and direction with respect to those programs.

Mr. Chairman and members of the committee, we would be pleased at this time to answer questions that you may have concerning the National Park Service.

VOLUNTEERS IN PARKS

Senator BYRD. Thank you for your statement, Mr. Everhardt. We feel that possibly the wrong acronym was chosen for the Volunteers-in-the-Park program.

Mr. EVERHARDT. That is why I preferred to clarify that, sir.

Senator BYRD. Wouldn't it have been better if it were park volunteers program?

Mr. EVERHARDT. I think that would have erased some confusion that sometimes exists, sir.

Senator BYRD. I would think so.

While we are on that subject, what is the status of the authorizing legislation needed for your proposed increase in the Volunteers-in-Parks programs?

Mr. EVERHARDT. On February 13, 1975, draft legislation, which would increase the appropriation authorization relating to that program from $100,000 to $250,000, was transmitted to the President of the Senate and the Speaker of the House. Senator Jackson introduced the legislation on February 28, as S. 896, and Representative Taylor introduced it on March 26, as H.R. 5631.

Senator BYRD. How many of the volunteer programs do you expect to direct at Bicentennial activities?

Mr. EVERHARDT. During the 1976 fiscal year, we plan to have 110 volunteer programs dealing with Bicentennial activities.

EXPANDING ROLE OF THE NATIONAL PARK SYSTEM

Senator BYRD. Your statement mentions a candid assessment of major problems, the biggest of which seems to be the system's rapid expansion and accompanying development backlog. On the changing role of the Park Service, do you think you are becoming too diverse?

Mr. EVERHARDT. I would say no to that, Mr. Chairman. I think the National Park Service is certainly challenged by the mandate of the Congress in 1916 to protect these areas once they have been authorized by the Congress. I think it reflects a change over the years to respond to a changing need on the part of the American public and the people of this country to participate in park experiences which has resulted in our changing and diversifing the role and involvement within the National Park Service.

Senator BYRD. You referred in your statement to the rapid expansion of the system. What are your thoughts as to how this problem should be tackled with its accompanying development backlog?

Mr. EVERHARDT. I think we could say with respect to the rapid expansion, considering in the last 4 years 32 new areas have been added, or in the past 10 years 91 new areas have been added, that new responsibilities with respect to land acquisition, historic preservation, archeological activities, National Environmental Policy Act, requirements have brought new challenges and new workloads to the National Park Service.

We talked a little earlier about the 11 new areas and expansion of areas that were authorized in the latter days of the 93d Congress. There was no request for funding and no additional manpower ceilings given to the National Park Service to effectively open these areas to visitors due to the lateness of the authorization.

INFLATIONARY FACTORS

It is also fair to mention, Mr. Chairman, the rate of inflation that is affecting park operations. Our people have estimated that in the last 3 years, inflation has cost the National Park Service about $19 million, through the loss in effective buying power of the dollar. Compared with the increase that we are asking this year in our park operations budget, is not much more than what would be required to keep even.

Another example of inflationary costs very close to home is at the Kennedy Center. This year we were able to cut the usage of electric

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power in that building by one-third; and at the same time we were cutting usage, the cost of electricity was increasing by 30 percent.

MANPOWER UTILIZATION STUDIES

I don't see us closing parks, Mr. Chairman. But I do see the National Park Service having to take a serious look at reducing services in order to spread the manpower and funding of the National Park Service into the new areas, so that the new responsibilities given to us can be carried out according to the mandates of the Congress as well as the Secretary and the administration.

I think we are trying to do the most efficient and effective job we can in keeping with the administration's posture with respect to the budget, with respect to manpower and funding. I have just recently asked our people to make a manpower utilization study throughout the National Park System, to look at the priorities of the Park Service, and to look at what jobs we are doing in the hopes that we can find the right answer in adjusting manpower needs. This may mean a reduction of certain services that have been the hallmark of the National Park Service.

SERVICE REDUCTIONS

Senator BYRD. What reduction in services do you presently foresee?

Mr. EVERHARDT. Well, we are thinking, Mr. Chairman, in terms of possibly cutting back services, and I could just give you some examples, because we have asked our people to analyze this. At the moment we don't have a complete picture of what we plan to do. But such things as the frequency of trash removal and the frequency of patrol through a campground at night to insure the well-being of the visitors may be reduced. Time spent on road patrols, the mowing of grass, may have to be cut back.

A number of our people have already acknowledged that the numbers of seasonal employees will not be as great this year as last year. These are the kinds of things that we are going to look at to adjust. to the limited manpower resources available to the National Park Service. But I have taken a firm position that we are not going to close park areas. I don't think closing park areas is in keeping with the wishes of Congress. We must keep our commitment with the local communities and the States when areas are authorized into the system and not revert to a position of not operating them.

URBAN PARKS

Senator BYRD. Do you foresee a continuation of involvement in urban parks?

Mr. EVERHARDT. This is what we intend to discuss with this committee and the House committee. The urban park, as I see it, is a very needed system in this country. People, certainly in this time of energy crisis, are going to have to look at closer-to-home park experiences.

We ask the question, however, as to what is going to be the involvement of the National Park Service in the urban park recreation growth pattern. Is the Federal Government going to operate these, or is there an opportunity through some kind of cooperative arrangement that

the State and city government, or local government, may operate these? How are they going to be purchased and brought into whatever system is designed? I have staff people working on this presently, Mr. Chairman, and we are hopeful that we will soon be able to present a posture to Secretary Reed and to Secretary Morton. We look forward to working with this committee and other committees that are interested in the National Park System in developing this position.

Senator BYRD. Does this get you away from the original mission for which you were created?

Mr. EVERHARDT. You mean, to be involved in urban parks?

Senator BYRD. Yes.

Mr. EVERHARDT. Until we have an opportunity to find out what is going to be the involvement of the National Park Service, we do not have a firm answer at this time.

Senator BYRD. You continue to get more involved, don't you, in urban parks?

Mr. EVERHARDT. That is why we would like to develop a position working along with the Secretary and with the Congress. Right now we are accepting urban parks, as they come to us, such as the recent examples of Gateway, Golden Gate, Cuyahoga, and others on the drawing board that we understand the National Park Service may be asked to take over.

EMPLOYMENT IN PERMANENT POSITIONS

What has happened is that without adequate funding, without adequate manpower, we have stretched the ability of the National Park Service to care for the older areas of the system. We can provide for the record a comparison of personnel in older parks in 1960 as compared with 1974. I think you will readily see where the resources have had to come from to operate the new urban park areas.

[The information follows:]

Comparison of Employment in Permanent Positions
1974 with 1960 between Park Operations,
Central Office and Other Functions

	1960 Staffing		1974 Staffing		Change	
	Permanent Positions	% of Total	Permanent Positions	% of Total	Permanent Positions	% of Increase over 1960
Direct Park Operations						
Older Park Areas (1974 includes 210 employees in Regional Offices performing direct park support functions)	3,661	77%	4,359	60%	698	19%
Park Areas Placed In Operation Since 1960 (82)	x		897	12%	897	
Subtotal, Direct Park Operations	3,661	77%	5,256	72%	1,595	44%
Indirect Park Operations						
Planning, Design Service Centers and Archeological Centers:						
Eastern Service Center	120		x	)		
Western Service Center	166		x	)	-15	
National Capital Parks Service Center	51		x	)		
Denver Service Center	x		322	)		
Eastern Museum Laboratory	37		x	)		
Western Museum Laboratory	21		x	)	+70	
Harpers Ferry Center	x		128	)		
Archeological Centers:						
Southwestern Center	7		x	)		
Arizona Center	x		11	)		
Chaco Center	x		6	)		
Midwest Center	x		13	)		
Southeast Center	x		5	)	+28	
Subtotal, Indirect Operations	402	8%	485	7%	83	21%
Total, Park Operations	4,063	85%	5,741	79%	1,678	41%

	1960 Staffing		1974 Staffing		Change	
	Permanent Positions	% of Total	Permanent Positions	% of Total	Permanent Positions	% of Increase over 1960
Central Office Functions						
Washington Office	276	6%	338	4%	+62	22%
Older Regional Offices: Northeast, Midwest, National Capital Parks, Southeast, Southwest and Western	439		476		+37	
New Pacific Northwest Region Established in 1970	x		44		+44	
New Regional Offices Established under President's FAR Program:						
North Atlantic and Rocky Mountain	x		105		+105	
Subtotal, Regional Offices	439	9%	625	9%	+186	42%
New Responsibilities Legislated or Othwerwise Assigned to NPS Since 1960:						
Land Acquisition under (Land and Water Conservation Fund Act of 1964)	x		169		169	
Job Corps Centers	x		144		144	
Historic Preservation Act of 1966	x		125		125	
National Environmental Policy Act of 1969	x		49		49	
Wilderness Implementation Act of 1964	x		7		7	
Equal Employment Opportunity Coordinators (Civil Rights Act)	x		18		18	

	1960 Staffing		1974 Staffing		Change	
	Permanent Positions	% of Total	Permanent Positions	% of Total	Permanent Positions	% of Increa over 1960
New Responsibilities Legislated or Otherwise Assigned to NPS since 1960 (continued):						
Labor Relations Officers	x		9		9	
Alaska Planning Group and Task Force (Alaska Native Claims Settlement Act)	x		15		15	
Inter-Governmental Personnel Activities	x		4		4	
Bicentennial Coordinators	x		5		5	
NPS Science Center (Appropriation Act of 1972)	x		12		12	
Subtotal, New Responsibilities	x		557	8%	557	12%
TOTAL	4,778 1/	100%	7,261	100%	2,483	52%

1/ Includes employment in permanent positions as follows:

Within NPS ceiling	4,036
Within District of Columbia ceiling, funded by transfer from D.C. government through Fiscal 1970	742
	4,778

Analysis of Permanent Staffing from Fiscal 1960 to 1974

Older Park Areas. Areas that were operated by the National Park Service in 1960.

Park areas placed into operation since 1960. Areas authorized during the period, Fiscal 1960-1974.

Indirect Park Operations: In 1960 there were three design and construction centers (WODC in San Francisco; EODC in Philadelphia and NCDC in National Capital Parks) and two Museum Laboratories, one in San Francisco and one in Washington. The five units have been replacted by two, the Denver Service Center and the Harpers Ferry Interpretive Center.

Central Office Functions. The Washington Office and six regional offices were in operation in 1960. Three additional regional offices have been added since 1960.

New Responsibilities. A considerable level of additional responsibility has been legislated to NPS in its park areas, central offices and to other functions. The most prominent ones are listed in the preceding table.

1. Following is the allocation and percent of total of the 2,483 increase in permanent employment during this 14-year period:

Older Park Areas	698	28%
Newer Park Areas	897	36%
Indirect Park Operations	83	3%
Central Offices:		
Washington Office	62	3%
Regional Offices	186	8%
New Responsibilities	557	22%
	2,483	100%

2. In Fiscal 1960 permanent staffing in older parks amounted 3,661 and increased to 4,359 in 1974. This 698 increase amounts to 19 percent or roughly 1.4 percent average increase per year. A rather lean increase considering that in this same period a very extensive MISSION 66 construction program added millions of dollars in park facilities requiring additional staffing to handle operations and maintenance. During this period park visitation to these older parks was approximately 144 percent. Also extensive boundary adjustments were authorized by the Congress for which an unknown but relative high portion of the increase can be attributed.

3. During the Fiscal 1960-1974 period, 82 operating areas (Newer Park Areas) were added to the System. A total of 897 permanent positions have been allocated for the management and operation of these new areas.

In 1960 the ratio of staffing in parks to total was 77 percent. In 1974 the ratio drops by 5 percent to 72 percent.

4. Indirect park operations staffing increased by 83 positions during the 14-year period, however, percentagewise this is a decrease of one percent of the total in 1974 compared with 1960.

5. Staffing in central offices decreased by 2 percent of the total in 1974 compared with 1960. This comparison excludes the portion of staffing as a result of the new responsibilities mandated since 1960.

6. During the 1960's, demands (legislative, Executive and other responsibilities) were placed on NPS. These demands are extremely significant in that 557 employees or 12 percent of the total increase since 1960 had to be hired to handle the required workloads.

SUMMARY OF EMPLOYMENT IN PARK OPERATIONS

FISCAL 1960 END OF YEAR EMPLOYMENT AND
VISITATION COMPARED WITH FISCAL 1974

REGION	Established Prior 1960 — 1960 Staffing PERMANENT	OTHER	Established Since 1960 — 1974 Staffing PERMANENT	OTHER	ALL AREAS — 1974 Staffing PERMANENT	OTHER	OLDER AREAS — Change (+ or -) PERMANENT	OTHER	VISITATION (000) — ALL AREAS 1974	1960	Older Areas CHANGE (+ or -)
Rocky Mountain	448	1,467	61	109	595	1,839	+ 86	+ 263	22,641.4	11,403.9	+ 8,524.0
North Atlantic	164	112	125	683	289	902	0	+ 107	11,719.1	3,774.3	+ 2,132.8
Mid-Atlantic	248	272	52	126	373	690	+ 73	+ 292	19,636.7	10,271.9	+ 7,571.1
National Capital	1,229	247	132	162	1,515	693	+ 154	+ 284	26,039.8	6,941.2	+ 17,730.0
Southeast	658	585	54	146	833	1,308	+ 121	+ 577	73,836.2	20,950.8	+ 51,250.4
Midwest	58	122	96	278	183	524	+ 29	+ 124	6,671.9	523.5	+ 2,791.4
Southwest	192	173	122	323	381	640	+ 67	+ 144	14,609.7	3,775.6	+ 5,993.7
Western	447	731	222	370	780	1,486	+ 111	+ 385	23,018.0	8,971.5	+ 4,170.4
Pacific Northwest	217	425	33	82	307	673	+ 57	+ 166	7,148.3	4,234.0	+ 1,967.6
TOTALS	3,661	4,134	897	2,279	5,256	8,755	+ 698	+2,342	205,321.1	70,846.7	+102,131.4

NOTE: Staffing levels for other than permanent employment includes employment not subject to EOY ceilings, such as Student Assistance Program.

N/R - Not Reporting Visitation

FISCAL 1960 EMPLOYMENT AND VISITATION
COMPARED WITH FISCAL 1974

ROCKY MOUNTAIN REGION	OLDER AREAS 1960 Staffing PERMANENT	OLDER AREAS 1960 Staffing OTHER	NEW AREAS Established Since 1960 YEAR	NEW AREAS PERMANENT	NEW AREAS OTHER	ALL AREAS 1974 Staffing PERMANENT	ALL AREAS 1974 Staffing OTHER	Change (+ or -) PERMANENT	Change (+ or -) OTHER	VISITATION (000) ALL AREAS 1974	1960	Older Areas CHANGE (+ or -)
Badlands NM	11	24				12	25	+ 1	+ 1	1,333.8	878.6	+ 455.2
Bent's Old Fort NHS	--	--	1962	2	6	2	6			24.5	----	----
Bighorn Canyon NRA	--	--	1966	15	29	15	29			238.2	----	----
Bryce Canyon NP	11	25				13	35	+ 2	+ 10	408.2	272.0	+ 136.2
Canyonlands NP			1966	25	28	25	28			60.5	----	----
Arches NP	5	4				4	13	- 1	+ 9	218.5	71.6	+ 146.9
Natural Bridges NM	--	2				2	6	+ 2	+ 4	35.3	6.5	+ 28.8
Capital Reef NP	3	2				13	22	+10	+ 20	277.4	102.5	174.9
Cedar Breaks NM	1	5				2	7	+ 1	+ 2	244.8	115.8	+ 129.0
Colorado West Group: Headquarters Office						9	5	+ 9	+ 5			
Black Canyon NM	1	8				3	13	+ 2	+ 5	226.6	122.5	+ 104.1
Colorado NM	7	11				7	15	0	+ 4	573.7	123.5	+ 450.2
Curecanti RA	--	--	1966	6	18					714.1	----	----
GROUP TOTAL	8	19		6	18	25	51	+11	+ 14	1,514.4	246.0	+ 554.3
Custer Battlefield NM	5	8				5	10	0	+ 2	290.4	146.5	+ 143.9
Devil's Tower NM	4	12				4	13	0	+ 1	133.1	117.0	+ 16.1
Dinosaur NM	12	24				13	36	+ 1	+ 12	372.7	142.4	+ 230.3
Florissant Fossil Beds	--	--	1971	2	5	2	5			22.6	----	----
Fort Laramie NHS	4	9				12	15	+ 8	+ 6	104.5	45.6	+ 58.9
Glacier NP	59	242				56	242	- 3	0	1,351.1	724.5	+ 626.6
Glenn Canyon NRA) Rainbow Bridge NM)	7	1				55	39	+48	+ 38	1,239.7	208.8	+1,030.9
Golden Spike NHS	--	--	1967	7	14	7	14			58.1	----	----
Grand Teton NP	41	113				43	221	+ 2	+108	2,963.5	1,429.9	+1,533.6
Fossil Butte NM			1974	2	2	2	2			7.0	----	----
John D. Rockefeller Junior Memorial Parkway			1974	2	2	2	2			1,586.1	----	----
Great Sand Dunes NM	3	4				7	14	+ 4	+ 10	186.6	52.7	+ 133.9
Mesa Verde NP	33	63				30	106	- 3	+ 43	464.1	225.7	+ 238.4
Hovenweep NM												
Yucca House NM	1	1				1	1	0	0	N/R	----	----
Mount Rushmore NMem	6	18				9	38	+ 3	+ 20	1,876.3	1,067.0	+ 809.3
Pipe Springs NM	2	3				3	5	+ 1	+ 2	20.0	7.3	+ 12.7
Rocky Mountain NP) Shadow Mountain NRA)	54	195				54	163	0	- 32	2,468.6	1,532.5	+ 936.1
Theodore Roosevelt NMem	11	42				11	48	0	+ 6	743.5	223.2	+ 520.3
Fort Union Trading Post NHS	--	--	1968	--	3 3	--	3			2.4	----	----
Timpanogos Cave NM	3	11				5	13	+ 2	+ 2	188.9	110.1	+ 78.8
Wind Cave NP	11	27				11	41	0	+ 14	892.0	864.6	+ 27.4
Jewel Cave NM	1	7				4	21	+ 3	+ 14	80.4	31.7	+ 48.7
Yellowstone NP	114	560				94	505	-20	- 55	1,954.9	1,443.3	+ 511.6
Big Hole NB	1	1				1	4	0	+ 3	32.6	10.7	+ 21.9
Grant-Kohrs Ranch NHS			1974	0	2	--	2			N/R	----	----
Zion NP	37	45				29	48	- 8	+ 3	1,024.1	575.8	+ 448.3
Regionwide Park Support						72	6	+22	+ 6			
Subtotal Rocky Mountain Region	448	1,467		61	109	595	1,839	+86	+263	22,641.4	11,403.9	+8,524.0

FISCAL 1960 EMPLOYMENT AND VISITATION COMPARED WITH FISCAL 1974

NORTH ATLANTIC REGION	OLDER AREAS 1960 Staffing PERMANENT	OLDER AREAS 1960 Staffing OTHER	NEW AREAS Established Since 1960 YEAR	NEW AREAS Established Since 1960 PERMANENT	NEW AREAS Established Since 1960 OTHER	ALL AREAS 1974 Staffing PERMANENT	ALL AREAS 1974 Staffing OTHER	Change (+ or -) PERMANENT	Change (+ or -) OTHER	VISITATION (000) ALL AREAS 1974	VISITATION (000) Older Areas 1960	VISITATION (000) Older Areas CHANGE (+ or -)
Acadia - NP	16	48				17	56	+1	+8	2,794.7	1,638.2	+1,156.5
Saint Croix Island NM	--	4				0	1	0	-3	N/R	----	
Adams NHS	3	10				3	8	0	-2	23.8	11.8	+ 12.0
Cape Cod NS	--	--	1963	31	122	31	122			4,322.2	----	
Fire Island NS	--	--	1966	16	35	16	35			566.5	----	
Fort Stanwix NM			1973	2	3	2	3			6.8		
Gateway NRA	--	--	1974	33	438	33	438			N/R	----	
Home of Franklin D. Roosevelt NHS and	56	10				37	26	-19	+16	285.2	281.9	+ 3.3
Vanderbilt Mansion NHS										236.5	138.5	+ 98.0
Longfellow NHS	--	--	1974	6	10	6	10			5.9	----	
John Fitzgerald Kennedy NHS	--	--	1969	1	4	1	4			30.6	----	
Manhattan Properties:												
Headquarters Office	--	--				5	3	+5	+3			
Castle Clinton NM	5	--				5	5	0	+5	0.0	----	
Federal Hall NM	7	--				8	5	+1	+5	82.4	60.8	+ 21.6
General Grant NM	3	--				5	5	+2	+5	76.0	253.2	- 177.2
Hamilton Grange NM	--	--	1965	2	3	2	3			5.5	----	
Theodore Roosevelt Birthplace NHS	--	--	1964	2	3	2	3			15.5	----	
GROUP TOTAL	15	0		4	6	27	24	+8	+18			
Minute Man NHP	--	--	1962	15	30	15	30			660.4	----	
Morristown NHP	17	4				17	21	0	+17	613.5	481.2	+ 132.3
Edison NHS	9	--				17	21	+8	+21	48.5	23.8	+ 24.7
Sagamore Hill NHS	--	--	1964	11	10	11	10			153.3	----	
Salem Maritime NHS	4	5				4	10	0	+ 5	339.9	55.8	+ 284.1
Saratoga NHS	6	12				8	16	+2	+ 4	293.8	60.1	+ 233.7
Saint-Gaudens NHS	--	--	1966	3	8	3	8			13.0	----	
Saugus Iron Works NHS	--	--	1970	3	17	3	17			32.3	----	
Statue of Liberty NM	38	19				23	42	-15	+23	1,112.8	769.0	+ 343.8
Regionwide Park Support						15	-	+15				
Subtotal North Atlantic Region	164	112		125	683	289	902	0	+107	11,719.1	3,774.3	+2,132.8

FISCAL 1960 EMPLOYMENT AND VISITATION
COMPARED WITH FISCAL 1974

MID-ATLANTIC REGION	OLDER AREAS 1960 Staffing		NEW AREAS Established Since 1960			ALL AREAS 1974 Staffing		Change (+ or -)		VISITATION (000)		
	PERMANENT	OTHER	YEAR	PERMANENT	OTHER	PERMANENT	OTHER	PERMANENT	OTHER	ALL AREAS 1974	1960	Older Areas CHANGE (+ or -)
Appomattox Court House NHP	5	9				6	13	+1	+4	245.8	124.3	+ 121.5
Assateague Island NS	-	-	1967	16	58	16	58			1,908.4	-	
Booker T. Washington NM	5	10				6	6	+1	-4	33.5	8.3	+ 25.2
Colonial NHP	41	41				45	79	+4	+38	9,018.1	3,399.4	+ 5,618.7
Delaware Water Gap NRA	-	-	1967	75	47	25	47			501.6	-	
Fort McHenry NM & HS	10	6				9	16	-1	+10	471.6	511.5	- 399.0
Fredericksburg and Spotsylvania County Battlefields Mem. NMP	12	16				17	30	+5	+14	1,133.6	413.6	+ 720.0
George Washington Birthplace NM	6	7				10	21	+4	+14	159.4	85.9	+ 73.5
Gettysburg NMP	23	26				29	66	+6	+40	1,400.0	1,336.0	+ 64.0
Eisenhower NHS	-	-	1971	6	4	6	4			N/R		
Hopewell Village NHS	6	13				9	19	+3	+6	147.8	98.7	+ 49.1
Independence NHP	73	14				91	64	+18	+50	2,098.2	1,595.0	+ 503.2
Thaddeus Kosciuszko NMem			1974							N/R		
Petersburg NB	7	9				7	40	-	+31	403.1	545.1	- 142.0
Richmond NBP	9	4				10	26	+1	+22	461.0	183.8	+ 277.2
Shenandoah NP	49	115				54	165	+5	+50	2,384.2	1,780.1	+ 604.1
Western Pennsylvania Group:												
Headquarters Office						2	0	+2	-			
Allegheny Portage Railroad NHS	-	-	1966	4	14	4	14			46.2	-	
Fort Necessity NB	2	2				3	16	+1	+14	191.8	136.2	55.6
Johnstown Flood NMem	-	-	1966	1	3	1	3			52.4	-	
GROUP TOTAL	2	2		5	17	10	33	+3	+14			
Regionwide Park Support						23	3	+23	+3			
Subtotal Mid-Atlantic Region	248	272		52	126	373	690	+73	+292	19,636.7	10,271.9	7,571.1

FISCAL 1960 EMPLOYMENT AND VISITATION
COMPARED WITH FISCAL 1974

NATIONAL CAPITAL PARKS	OLDER AREAS 1960 Staffing		NEW AREAS Established Since 1960			ALL AREAS 1974 Staffing		Change (+ or -)		VISITATION (000)		
	PERMANENT	OTHER	YEAR	PERMANENT	OTHER	PERMANENT	OTHER	PERMANENT	OTHER	ALL AREAS 1974	1960 Older Areas	CHANGE (+ or -)
Antietam	4	6				12	10	+ 8	+ 4	427.8	36.1	+ 391.7
C & O Canal	11	12	1971	51	28	62	40	0	0	1,066.8	----	----
Catoctin MP	10	4				21	20	+ 11	+ 16	377.5	480.6	- 103.1
Harpers Ferry NHP	12	14				22	68	+ 10	+ 54	1,057.4	585.8	+ 471.6
Manassas NB	6	4				7	16	+ 1	+ 12	703.6	160.4	+ 543.2
Prince William Forest	20	16				34	21	+ 14	+ 5	330.4	267.3	+ 63.1
Wolf Trap Farm	--	--	1969	17	108	17	108	0	0	508.0	----	----
Kennedy Center	--	--	1972	55	21	55	21	0	0	N/R		
National Visitor Center	--	--	1970	9	5	9	5	0	0	N/R		
SUBTOTAL	63	56		132	162	239	309	+ 44	+ 91			
National Capital Parks D. C. Areas	879	191			--	702	314	-127	+123	21,568.3	5,411.0	+16,157.3
U. S. Park Police	287	--			--	532	31	+245	+ 31	----	----	----
Regionwide Park Support						42	39	+ 42	+ 39			
SUBTOTAL	1,169	191			--	1,276	384	+110	+193			
Subtotal National Capital Parks	1,229	247		132	162	1,515	693	+154	+284	26,039.8	6,941.2	+17,730.0

FISCAL 1960 EMPLOYMENT AND VISITATION
COMPARED WITH FISCAL 1974

SOUTHEAST REGION	OLDER AREAS 1960 Staffing PERMANENT	OLDER AREAS 1960 Staffing OTHER	NEW AREAS Established Since 1960 YEAR	NEW AREAS Established Since 1960 PERMANENT	NEW AREAS Established Since 1960 OTHER	ALL AREAS 1974 Staffing PERMANENT	ALL AREAS 1974 Staffing OTHER	Change (+ or -) PERMANENT	Change (+ or -) OTHER	VISITATION (000) ALL AREAS 1974	VISITATION (000) 1960	VISITATION (000) Older Areas CHANGE (+ or -)
Andersonville NHS	--	--	1972	11	3	11	3			114.3	----	----
Biscayne NM	--	--	1971	7	8	7	8			451.9	----	----
Blue Ridge Parkway	128	139				114	214	-14	+ 75	13,843.4	5,503.2	+ 8,340.2
Carl Sandburg Home NHS	--	--	1970	6	13	6	13			5.2	----	----
Guilford Courthouse NMP	4	5				7	8	+ 3	+ 3	1,179.5	293.8	+ 885.7
Cape Hatteras NS										1,683.4	467.3	+ 1,216.1
Wright Brothers NMem	35	67				52	117	+17	+ 50	418.6	237.6	+ 181.0
Fort Raleigh NHS										313.2	90.8	+ 222.4
Cape Lookout NS	--	--	1968	2	1	2	1			N/R	----	----
Castillo de San Marcos NM	13	13				18	13	+ 5	0	592.9	366.3	+ 226.6
Fort Matanzas NM										279.9	62.7	+ 217.2
Chickamauga & Chattanooga NMP	21	2				18	30	- 3	+ 28	15,156.0	1,034.3	+14,121.7
Christiansted NHS										26.5	4.2	+ 22.3
Buck Island Reef NM	2	6				4	6	+ 2	0	29.3	----	-----
Cumberland Gap NHP	13	14				16	39	+ 3	+ 25	411.9	135.1	+ 276.8
Cumberland Island NS	--	--	1974	5	10	5	10			N/R	----	----
DeSoto NMem	3	2				5	6	+ 2	+ 4	111.6	78.8	+ 32.8
Everglades	57	36				80	61	+23	+ 25	990.9	579.2	+ 411.7
Fort Jefferson NM										22.7	8.9	+ 13.8
Fort Caroline NMem	4	5				5	3	+ 1	- 2	74.4	43.4	+ 31.0
Fort Donelson NMP	5	2				10	35	+ 5	+ 33	1,066.2	384.9	+ 681.3
Fort Frederica NM	6	2				6	8	0	+ 6	150.4	110.8	+ 39.6
Fort Pulaski NM	8	5				9	28	+ 1	+ 23	289.0	136.1	+ 152.9
Fort Sumter NM	7	1				15	43	+ 8	+ 42	162.2	51.8	+ 110.4
Great Smoky Mountains NP	114	140				108	217	- 6	+ 77	9,608.2	4,528.6	+ 5,079.6
Andrew Johnson NHS	6	6				5	7	- 1	+ 1	50.6	41.9	+ 8.7
Gulf Islands NS	--	--	1974	18	96	18	96			1,010.7	----	----
Horseshoe Bend NMP	4	2				7	7	+ 3	+ 5	403.9	23.9	+ 380.0
Kennesaw Mountain NBP	7	8				10	19	+ 3	+ 11	6,348.5	203.5	+ 6,145.0
Kings Mountain NMP	6	6				7	12	+ 1	+ 6	425.2	242.9	+ 182.3
Cowpens NB										35.0	8.8	+ 26.2
Mammoth Cave NP	53	42				54	114	+ 1	+ 72	1,838.0	519.1	+ 1,318.9
Abraham Lincoln Birthplace NHS	7	2				7	9	0	+ 7	456.3	331.3	+ 125.0
Mar-A-Lago NHS	--	--	1974	--	15	--	15			N/R	----	----
Moores Creek NMP	4	0				4	4	0	+ 4	39.1	24.4	+ 14.7
Natchez-Trace Parkway	83	44				98	68	+15	+ 24	13,366.2	3,479.3	+ 9,886.9
Shiloh NMP	13	2				13	13	0	+ 11	553.1	803.8	- 250.7
Stones River NB	4	1				5	12	+ 1	+ 11	83.2	33.7	+ 49.5
Vicksburg NMP	20	12				16	20	- 4	+ 8	727.0	819.5	- 92.5
Gunboat Cairo	--	--	1974								----	----
Ocmulgee NM	7	4				9	9	+ 2	+ 5	111.3	86.0	+ 25.3
Russell Cave NM	---	--	1961	5	--	5	--			23.6	----	----
San Juan NHS	8	4				23	15	+15	+ 11	1,085.9	187.7	+ 898.2
Virgin Islands NP	16	13				33	15	+17	+ 2	297.0	27.2	+ 269.8
Regionwide Park Support						21	10	+21	+ 10			
TOTAL	658	585		54	146	833	1,308	+121	+577	73,836.2	20,950.8	+51,250.4

FISCAL 1960 EMPLOYMENT AND VISITATION .
COMPARED WITH FISCAL 1974

MID-WEST REGION	OLDER AREAS 1960 Staffing PERMANENT	OTHER	NEW AREAS Established Since 1960 YEAR	PERMANENT	OTHER	ALL AREAS 1974 Staffing PERMANENT	OTHER	Change (+ or -) PERMANENT	OTHER	VISITATION (000) ALL AREAS 1974	1960	Older Areas CHANGE (+ or -)
Apostle Islands NL	--	--	1972	7	4	7	4			12.7	----	----
Effigy Mounds NM	3	14				4	11	+ 1	- 3	72.1	60.6	+ 11.5
Fort Larned NHS	--	--	1966	4	6	4	6			16.2	----	----
George Washington Carver NM	3	7				4	7	+ 1	0	37.0	46.4	+ 9.4
Wilson's Creek NB	--	--	1962	4	4	4	4			39.7	----	----
Grand Portage NM	3	4				5	18	+ 2	+ 14	68.5	----	----
Herbert Hoover NHS	--	--	1967	9	28	9	28			371.8	----	----
Homstead NM of America	2	7				4	6	+ 2	- 1	20.1	18.7	+ 1.4
Indiana Dunes NL	--	--	1969	6	46	6	46			57.8	----	----
Isle Royale NP	17	56				15	77	- 2	+ 21	15.9	6.4	+ 9.5
Pictured Rocks NL	--	--	1968	5	26	5	26			294.9	----	----
Jefferson National Expansion Memorial NHS	19	1				30	77	+ 11	+ 76	2,692.8	48.5	+2,644.3
Lincoln Boyhood NMem	--	--	1963	6	15	6	15			94.2	----	----
George Rogers Clark NHP	--	--	1968	4	9	4	9			80.7	----	----
Lincoln Home NHS	--	--	1973	11	9	11	9			584.2		
Ohio Group:												
Headquarters Group	--	--				3	2	+ 3	+ 2			
Mounds City Group NM	3	1				3	3	0	+ 2	83.6	29.0	+ 54.6
Perry's Victory and International Peace Mem	1	12				2	15	+ 1	+ 3	94.5	66.9	+ 27.6
William Howard Taft NHS	--	--	1971	2	2	2	2			1.9	----	----
GROUP TOTAL	4	13		2	2	10	22	+ 4	+ 7			
Ozark National Scenic Riverway	--	--	1966	24	103	24	103			1,534.9	----	----
Pipestone NM	3	10				5	14	+ 2	+ 4	141.8	155.5	- 13.7
Saint Croix NSR	--	--	1972	4	14	4	14			190.0	----	----
Scotts Bluff NM	4	10				4	9	0	- 1	157.1	91.5	+ 65.6
Agate Fossil Beds NM	--	--	1967	1	4	1	4			8.9	----	----
Sleeping Bear Dunes NL	--	--	1972	5	6	5	6			N/R	----	----
Voyageurs NP	--	--	1973	4	2	4	2			0.6	----	----
Regionwide Park Support						8	7					
Subtotal Midwest Region	58	122		96	278	183	524	+ 29	+124	6,671.9	523.5	+2,791.4

FISCAL 1960 EMPLOYMENT AND VISITATION
COMPARED WITH FISCAL 1974

SOUTHWEST REGION	OLDER AREAS 1960 Staffing PERMANENT	OLDER AREAS 1960 Staffing OTHER	NEW AREAS Established Since 1960 YEAR	NEW AREAS Established Since 1960 PERMANENT	NEW AREAS Established Since 1960 OTHER	ALL AREAS 1974 Staffing PERMANENT	ALL AREAS 1974 Staffing OTHER	Change (+ or -) PERMANENT	Change (+ or -) OTHER	VISITATION (000) ALL AREAS 1974	VISITATION (000) Older Areas 1960	VISITATION (000) Older Areas CHANGE (+ or -)
Amistad RA	--	--	1967	15	27	15	27			896.0	----	----
Arkansas Post NMem	--	--	1962	4	6	4	6			51.4	----	----
Bandelier NM	8	20				8	24	0	+ 4	160.5	81.6	+ 78.9
Big Bend NP	42	25				39	29	- 3	+ 4	249.4	75.9	+ 173.5
Buffalo NR	--	--	1974	9	27	9	27			104.5	----	----
Capulin Mountain NM	1	4				5	6	+ 4	+ 2	46.7	37.3	+ 9.4
Carlsbad Caverns NP	54	33				45	63	- 9	+30	746.0	537.0	+ 209.5
Guadalupe Mountains NP	--	--	1969	4	21	4	21			39.1	----	----
Chalmette NHP	6	5				7	7	+ 1	+ 2	194.9	473.4	- 278.5
Chamizal NMem	--	--	1968	12	32	12	32			68.4	----	----
Fort Davis NHS	--	--	1963	6	19	6	19			53.4	----	----
Fort Smith NHS	--	--	1963	6	6	6	6			81.1	----	----
Fort Union NM	3	8				4	7	+ 1	- 1	12.6	10.1	+ 2.5
Gila Cliff Dwellings NM	0	2				3	7	+ 3	+ 5	35.9	2.3	+ 33.6
Gran Quivira NM	2	5				6	5	+ 4	0	34.4	10.3	+ 24.1
Hot Springs NP	31	2				23	40	- 8	+38	2,423.5	719.1	+1,704.4
Lake Meredith RA	--	--	1967	22	29	22	29			1,692.7	----	----
Alibates Flint	--	--	1967	1	2	1	2	0		1.8	----	----
Lyndon B. Johnson NHS	--	--	1971	11	87	11	87			393.1	----	----
Navajo Lands Group:												
Headquarters Office:						6	2	+ 6	+ 2			
Aztec Ruins NM	3	9				4	4	+ 1	- 5	60.5	38.1	+ 22.4
Canyon de Chelly NM	6	17				7	20	+ 1	+ 3	559.8	20.5	+ 539.3
Chaco Canyon NM	5	9				8	15	+ 3	+ 6	54.8	25.8	+ 29.0
El Morro NM	3	3				2	7	- 1	+ 4	28.5	18.4	+ 10.1
Hubbell Trading Post NHS	--	--	1967	6	18	6	18	--	--	72.4	----	----
Navajo NM	2	5				6	10	+ 4	+ 5	118.8	2.5	+ 116.3
Sunset Crater NM										214.5	80.5	+ 134.0
Wupatki NM	5	7				9	11	+ 4	+ 4	131.9	56.6	+ 75.3
GROUP TOTAL	24	50		6	18	49	87	+19	+19	1,241.2	242.4	+ 926.4
Padre Island NS	--	--	1964	19	24	19	24	--	--	842.7	----	----
Pea Ridge NMP	1	5				7	9	+ 6	+ 4	81.3	57.2	+ 24.1
Pecos NM	--	--	1967	4	15	4	15			45.7	----	----
Platt NP	12	10				29	23	+17	+13	4,094.9	1,150.5	+2,944.4
Arbuckle RA	--	--	1967	3	10	3	10			498.1	----	----
White Sands NM	8	4				9	16	+ 1	+12	519.9	378.5	+ 141.4
Regionwide Park Support						32	12	+32	+12			
Subtotal Southwest Region	192	173		122	323	381	640	+67	+144	14,609.7	3,775.6	+5,993.7

FISCAL 1960 EMPLOYMENT AND VISITATION
COMPARED WITH FISCAL 1974

WESTERN REGION	OLDER AREAS 1960 Staffing PERMANENT	OTHER	NEW AREAS Established Since 1960 YEAR	PERMANENT	OTHER	ALL AREAS 1974 Staffing PERMANENT	OTHER	Change (+ or -) PERMANENT	OTHER	VISITATION (000) ALL AREAS 1974	1960	Older Areas CHANGE (+ or -)
Cabrillo NM	2	4				9	10	+7	+6	1,284.2	1,007.0	+ 277.2
Channel Island NM	2	4				7	11	+5	+7	50.0	-	
Death Valley NM	28	17				36	27	+8	+10	402.6	355.9	+ 46.7
Fort Point NHS	-	-	1972	4	12	4	12	0	0	628.4	-	
Golden Gate NRA	-	-	1974	24	97	24	97	0	0	350.5	-	
Grand Canyon NP and Grand Canyon NM Marble Canyon NM	68	90				84	155	+16	+65		1,187.7	+ 745.8
Hawaii Group:												
Headquarters Office						8	8	+8	+8			
City of Refuge	-	-	1961	6	16	6	16	0	0	314.0	-	
Puukohola Heiau	-	-	1974	2	3	2	3	0	0	N/R	-	
GROUP TOTAL				8	19	14	27	+8	+5	314.0	-	
Haleakala NP	-	-	1961	13	21	13	21			427.9	-	
Hawaii Volcanoes NP	33	18				27	26	-6	+8	1,390.3	709.1	+ 681.2
John Muir NHS	-	-	1966	5	8	5	8			23.1	-	
Joshua Tree NM	15	12				19	28	+4	+16	482.4	320.1	+ 162.3
Lake Mead NRA			1964	9	86	99	86			5,817.7	-	
Lassen Volcanic NP	21	74				23	82	+2	+8	444.5	401.8	+ 42.7
Lehman Caves NM	3	4				6	9	+3	+5	34.2	20.7	+ 13.5
Muir Woods NM	5	5				8	7	+3	+2	797.8	508.8	+ 289.0
Petrified Forest NP	15	19				25	29	+10	+10	914.9	911.5	+ 1.4
Pinnacles NM	6	5				8	17	+2	+12	124.1	72.0	+ 52.1
Point Reyes NS	-	-	1964	30	31	30	31			1,241.4	-	
Redwood NP	-	-	1970	21	32	21	32			236.5	-	
Sequoia NP & Kings Canyon NP	81	178				84	212	+3	+34	1,748.5	1,370.6	+ 377.9
Yosemite NP and Devil Postpile	124	249				113	385	-11	+136	2,391.1	1,185.3	+ 1,205.8
Southern Arizona Group:												
Headquarters Office:						10	4	+10	+4			
Casa Grande Ruins NM	4	3				5	7	+1	+4	96.7	76.9	+ 19.8
Chiricahua NM	4	4				5	22	+1	+18	56.6	45.4	+ 11.2
Coronado NMem	2	4				5	3	+3	-1	46.9	16.9	+ 30.0
Fort Bowie NHS & Bohokam Pima Montezuma Castle	-	-	1966 & 74	2	2	2	2			3.1	-	
Organ Pipe Cactus	8	6				7	8	+2	0	318.6	177.7	+ 140.9
Saguaro NM	7	14				11	7	+3	+1	86.4	262.1	- 175.7
Tonto NM	4	2				14	20	+7	+6	330.7	141.0	+ 189.7
Tumacacori NM	4	6				4	3	0	+1	50.2	48.1	+ 4.1
Tuzigoot NM	2	3				5	4	+1	-2	65.2	53.8	+ 11.4
Walnut Canyon NM	4	2				4	8	+2	+5	84.3	34.8	+ 49.5
						4	9	0	+7	60.7	68.3	- 8.1
GROUP TOTAL	44	52		2	2	78	97	+32	+41	1,198.9	921.0	+ 274.8
Whiskeytown NRA			1964	16	62	16	62	0	0	771.4	-	
TOTAL	447	731		222	370	780	1,486	+111	+385	23,018.0	8,971.5	4,170.4

FISCAL 1960 EMPLOYMENT AND VISITATION
COMPARED WITH FISCAL 1974

PACIFIC NORTHWEST REGION	OLDER AREAS 1960 Staffing PERMANENT	OLDER AREAS 1960 Staffing OTHER	NEW AREAS Established Since 1960 YEAR	NEW AREAS Established Since 1960 PERMANENT	NEW AREAS Established Since 1960 OTHER	ALL AREAS 1974 Staffing PERMANENT	ALL AREAS 1974 Staffing OTHER	Change (+ or -) PERMANENT	Change (+ or -) OTHER	VISITATION (000) ALL AREAS 1974	VISITATION (000) 1960	VISITATION (000) Older Areas CHANGE (+ or -)
Alaska Group:												
Headquarters Office						22	10	+22	+10			
Glacier Bay NM	8	3				13	27	+ 5	+24	94.2	16.4	+ 77.8
Sitka NHP												
Katmai NM	0	1				3	14	+ 3	+13	12.6	0.6	+ 12.0
Mount McKinley NP	16	25				13	70	- 3	+45	409.6	22.5	+ 387.1
GROUP TOTAL	24	29				51	121	+27	+92	516.4	39.5	+ 476.9
Coulee Dam RA	11	28				21	48	+10	+20	523.3	647.4	- 124.1
Craters of the Moon NM	5	10				5	15	0	+ 5	183.9	134.3	+ 49.6
Fort Clatsop NMem	2	4				2	12	0	+ 8	95.3	69.0	+ 26.3
Fort Vancouver NHS	4	1				7	12	+ 3	+11	150.9	37.6	+ 113.3
Klamath Falls Group:												
Headquarters Office						10	2	+10	+ 2			
Crater Lake NP	31	69				18	57	-13	-12	503.3	397.7	+ 105.6
Lava Beds NM	7	29				8	19	+ 1	-10	118.1	67.7	+ 50.4
Oregon Caves NM	1	7				3	11	+ 2	+ 4	153.5	101.3	+ 52.2
GROUP TOTAL	39	105				39	89	0	-16	774.9	566.7	+ 208.2
Mount Rainier NP	65	134				60	174	- 5	+40	1,188.3	1,538.7	- 350.4
Nez Perce NHP	--	--	1967	5	12	5	12			137.9	----	----
North Cascades NP	--	--	1970	26	62	26	62			733.9	----	----
Lake Chelan NRA and Ross Lake NRA												
Olympia NP	63	112				66	113	+ 3	+ 1	2,663.7	1,160.4	+1,503.3
San Juan Island NHP	--	--	1968	2	8	2	8			74.9	----	----
Whitman Mission NHS	4	2				5	6	+ 1	+ 4	104.9	40.4	+ 64.5
Regionwide Park Support						18	1	+18	+ 1	---		
TOTAL	217	425		33	82	307	673	+57	+166	7,148.3	4,234.0	1,967.6

Senator BYRD. Senator Stevens.

Senator STEVENS. Draining the major parks to accommodate urban parks worries me considerably. Has the Department approached this from the basis of reviewing and increasing the role of the Bureau of Outdoor Recreation with regard to these urban parks, and restoring the National Park Service to serving and protecting the most significant areas of the country as far as their physical beauty? I think of Grand Canyon and Yellowstone and Yosemite and Crater Lake. And some of these things we are getting into now seem to be primarily recreation oriented. The seashore, the urban parks, Gateway, they are basically recreation oriented and meeting another need as compared to the preservation of these places of historic beauty in the country; and maybe, Mr. Secretary, you could tell us—I would like to know why urban parks were not placed in the Bureau of Outdoor Recreation.

Secretary REED. You have hit a very sensitive subject right on the nose. We have been in a quandry since the introduction of the Gateway East bill, and its passage by the Congress, as to what the National Park Service's role was to be within the urban area, recognizing that many people in crowded urban areas are never going to get close to one of the real National Park Service areas. What is the role of the Federal Government in the urban area?

From Gateway East, we went promptly to Gateway West, Golden Gate, where at least we had a nationally significant piece of terrain from the northern tip of the Golden Gate Bridge to Point Reyes. I think all of you who have been there, I think perhaps two of you, I don't know whether the chairman has been there, but I think you would agree from the northern tip of the bridge to Point Reyes, we had a piece of ground so extraordinary that it would qualify as nationally significant. However, Mayor Alioto did get rid of those broken-down parks in San Francisco where under no stretch of the imagination can I tell you that they are nationally significant. They are not. I foresaw as the mayor unloaded those parks, a very serious situation that every mayor faces with a mounting budget for his local parks, would turn and say to the National Park Service, here's Uncle coming along, he will take care of my park people.

We had a long debate over the Cuyahoga National Recreation Area. The Ohio delegation unsheathed their swords and spears, and I promised I would do everything in my power to make Cuyahoga a great success, but the basic question remained: Was Cuyahoga of national significance? It is a fantastic recreation area. It is a marvelous greenbelt area. It is marvelous in many ways, and it will be put to good use, but whether it was of national significance is a public question.

This committee will be faced, as other committees will be faced on both sides with the Santa Monica, an area we examined at length last year, recommending to this committee and to the authorization committee that the expanded Land and Water Conservation Fund would put emphasis on these urban areas into the State and local communities, financing them, but encouraging the State and local community to operate them. For a variety of reasons, principally because of the worsening budgetary sequence, the administration decided not to go ahead with the recommendation on that package. I would say that it

probably has a similar position as of this moment in this fiscal year. But to take on these areas as Federal areas without having firmly made up our mind what the Federal role is seems to me a great error. I think we ought to strike out and say this is what the Federal role should be and affirmatively say this is what the Federal role should be, this is what the State role should be, and here's how we plan to handle it, and here's how we will finance it and, that, sir, I am sorry to say, we haven't done. It is not for not trying, but because so many other problems have come up simultaneously that the problem of urban recreation has sort of been put on the back burner.

URBAN PARK POLICY

Senator STEVENS. Maybe you ought to figure out a formula as to what can and cannot be supported.

Secretary REED. This administration or the Congress has to take a leadership role. At the moment I have not been able to get the administration to come forthrightly to this committee and to other committees and say what we think ought to be done, and so we are sort of in limbo, very strangely.

Senator STEVENS. Thank you.

CONCESSIONAIRE RELATIONSHIPS

Senator BYRD. Thank you. What problems and policy changes are under consideration with respect to concessionaire relationships?

Mr. EVERHARDT. We are at this time waiting for a task force report, that was directed by the Secretary as a result of a review of our concessionaire operations. As soon as this is released to us we are prepared to respond to it. We are prepared to talk to the legislative committee and if there is a need, to discuss changes in the concessions policy. Presently we are trying to reestablish a much firmer communication with our concessionaires. We want to bring a degree of professionalism to the internal operations of the Park Service concessions, so we can discuss policies with respect to concession contracts on a more firm basis with concessionaires. We want to bring a training opportunity to the concessionaires and their employees as they are one of the great resources of the National Park Service and have frequent contact with visitors to national park areas. So these are some of the steps that we are taking initially as we await the final task force report to see what they recommend as a result of their review of concessions operations.

VISITOR PROTECTION AND SAFETY PROGRAMS

Senator BYRD. The $444,000 increase proposed for visitor protection and safety programs includes only limited increases in seasonal employment. Do you have ample permanent law enforcement manpower?

Mr. EVERHARDT. The funds requested are for the training and equipping of our law enforcement personnel. I think it essential that we upgrade our law enforcement equipment and improve our communications systems. In addition, our present law enforcement training standards must be maintained. We do see the need for additional permanent law enforcement manpower to attain an acceptable stand-

ard for our operations. The recent activation of several newly authorized areas has placed a severe strain on our law enforcement manpower Servicewide.

The Gateway National Recreation Area project in New York and New Jersey, is a prime example. When we assumed responsibility for that operation we were faced with the immediate need for adequate protection personnel. In order to maintain the established operations and meet the public demands, we were forced to move positions from previously established areas. This pirating of positions from other areas has left us understaffed in several places. To give you another example, a few years ago we had a serious law enforcement situation at Delaware Water Gap and we were forced to move 10 positions to that new area to handle the problem; similar situations have occurred at Golden Gate National Recreation Area as well as other new areas, and they are likely to occur at Big Thicket National Reserve, Cuyahoga Valley National Recreation Area and Indiana Dunes National Lakeshore.

In addition, we were authorized and have been dependent on the 40-man Park Police strike force to handle disturbances and major incidents throughout the system. The staffing of Golden Gate and Gateway National Recreation Areas has already impinged on this resource and as we look ahead to the many ceremonies and special events of the Bicentennial, we are apprehensive about our ability to cover all our bases.

In terms of figures, we can identify 45 positions that have been moved to newly established areas to provide the minimum protection for the public as well as the resource. They were taken from established areas such as Grand Canyon, Yellowstone, Blue Ridge Parkway and the like.

To staff the Gateway and Golden Gate National Recreation Areas a total of 74 positions will be required by 1978 to meet minimum protection standards. Other newly authorized areas such as Indiana Dunes, which to date has only a skeleton force, will need no less than 27 enforcement personnel to maintain law and order for the park visitor. Recently Congress provided this Nation the Cuyahoga Valley as a recreation area. Before the National Park Service can perform to a standard expected of us, we will require 27 protection personnel to provide a degree of protection which will otherwise be lacking. To bring all of these new areas up to an acceptable standard, we need 158 more positions. This represents a need of 193 positions to reach a level of acceptable standard which we were approaching 2 years ago. Now we are inadequately staffed to meet the challenge of the Bicentennial period.

LAW ENFORCEMENT TRAINING

Senator BYRD. How much of the total visitor protection and safety programs are for the law enforcement training mentioned in your justifications? How does that compare to current estimates?

Mr. EVERHARDT. We have requested $600,000 for law enforcement training. This compares with $460,000 in 1975. The additional funds are needed to enable us to increase the number of Rangers attending the basic law enforcement training course. We plan to send 150 of our

people through the Consolidated Federal Law Enforcement Training Center in 1976 compared to 100 this year. In addition, we plan to institute a new training program aimed at our park managers. It is critical that these key decisionmakers be fully acquainted with the role of law enforcement in park management.

INFORMATIONAL PUBLICATIONS

Senator BYRD. You are planning to increase your park publications without a budget increase. Does that mean you anticipate higher sales revenue? How much?

Mr. EVERHARDT. Mr. Chairman, there is no increase proposed in the line item publications program; however, some of the funds for Bicentennial special events, and for planning the interpretive program for the Bicentennial will be for publications.

Government Printing Office sales of NPS publications, about $1 million annually, go into the general fund of the Treasury and are not available to the National Park Service.

Senator BYRD. Senator Stevens.

Senator STEVENS. Thank you. I have had mine, thank you very much.

Senator BYRD. Senator Hatfield.

DETERIORATING FACILITIES AT CRATER LAKE NATIONAL PARK

Senator HATFIELD. I would just like to follow up on that earlier question. Have you reached a policy of determination or decision as to how you are going to handle the parks where the facilities have deteriorated or are in the process of deterioration, which were built at a time when there were no alternate facilities available to tourists in nearby villages or towns? I have specific reference to Crater Lake as a case in point.

When the Crater Lake Lodge was built by the National Park Service, it was the only facility available to us. Now you have within good road distance many facilities for various types of tourists—trailer courts, motels, hotels. Repairs have been neglected at the lodge—remodeling, rewiring and other things—so that you can only say that it is really somewhat of a disgrace. We have been waiting to see what the Park Service policy is going to be, as to whether or not there should be a day center there and proper lavoratories and other facilities for day time visitors and that eyesore removed. What type of policy are you going to follow in that kind of a case?

Mr. EVERHARDT. I think that is a very good question, Senator Hatfield. Certainly we should look at each of these parks individually as we try to answer that question. We should certainly be guided by a master plan review in answering that question. However, I think that in the case you have pointed out, as may be the case in some other areas, that we should also look at the outside community, the gateway community to these parks. If there is the opportunity to stimulate a viable tourist opportunity, to provide those overnight accommodations and still insure that the visitor has the kind of experience that he should have in that park, I think we would be moving in that general direction.

I think this somewhat follows the same line of reasoning as the campground situation. If facilities could be provided outside the park,

where we could work with the adjacent communities in development which would be conducive to the environment and meet the objectives of the park. I see us moving in that direction. We have already done this in a number of places, but the prerequisite to that is a master plan study, and I don't think we need a policy change to accomplish that goal.

Senator HATFIELD. Where is that master plan study now?

HISTORICAL SIGNIFICANCE OF LODGE

Secretary REED. You know, you really touched on a very interesting one, because in your own State, it is a fascinating one, where you have a building of really great stature formerly, and the remnant is very handsome. I am not sure that in 20 years it wouldn't be made a national historic site, or maybe it qualifies now. It may be one of the buildings that you look back on as the great lodge at Yellowstone or the one at Yosemite and say, this is something that should be preserved forever. Those of us who don't spend every night in a sleeping bag say, gee, I would like to have that wonderful hotel or lodge renovated. It is a lot better area, no question about it. It is an extraordinary building. I think it is woefully short of renovation. That is the problem with many of the older buildings. We haven't had the money to put them into first-class shape and they are potential fire traps.

Senator HATFIELD. That one is. I think a tragedy could occur and then we would wonder why we hadn't acted.

Senator STEVENS. Are the concessionaire revenues returned to the Treasury?

Mr. EVERHARDT. $2.1 million was collected last year from the National Park Service for concessionaire franchise fees and that is returned to the Treasury.

I would just like to follow up on Senator Hatfield's question about the master plan. The EIS on that master plan is being prepared. As soon as it is completed we will be having public hearings and I am sure the point that you make will be part of a discussion in that EIS.

PLANNING AND CONSTRUCTION BACKLOG

I think one other point I would like to follow up on, and that is with respect to the development, rehabilitation, or construction backlog of the National Park Service. We reported to the House Appropriations Committee a few weeks ago that this backlog was in the neighborhood of $3 billion. Since then we have done an additional review of this development backlog and the cost of this backlog is now being estimated at about $2.7 billion. We have broken this down into three timeframes for accomplishment. One is a short-term timeframe which is for a 5-year period that would require some $517 million. These short-term planning and development needs are to do some of the very things you are talking about, Senator Hatfield. But it is for some of the urgently needed rehabilitation of not only historic properties, but some of the physical facilities that exist in the park areas today.

Beyond that, there is a midterm projection for the following 5-year period of $728 million. Beyond that, is a long-range period for accomplishing the remainder of the development program projected at a cost of about $1.448 billion.

If the Park Service is going to work effectively and efficiently on this backlog, then we would need an annual appropriation of somewhere in the neighborhood of $125 million for our service center to start accomplishing this kind of a backlog.

REHABILITATION OF CONCESSION FACILITIES

Senator HATFIELD. What would be the possibility of setting up a revolving fund with the concessionaires' fees, in which you could utilize those fees for reinvestment and rehabilitating and renovating?

I think this annual appropriation business is very unpredictable, and you are committed to a long-term program. I am not so sure that we would be divesting ourselves of final authority by setting up a revolving fund if you had, to get authorization for those projects from the Congress. But it seems to me the concessionaires and the public, generally, would feel it would be much like a gas tax where it feels that it is going back into the facility they are patronizing.

Mr. EVERHARDT. I think that is a great idea. The fees only amount to $2.1 million. Next year we project about $2.5 million of franchise fee collections. However, this level of funding would not go very far.

I think another alternative to that suggestion would be to use those funds which have always been a big problem in the National Park Service for some minor kind of maintenance and rehabilitation of those concessionaire facilities.

Senator HATFIELD. You have the problem there of length of contract, if they are willing to enter into it with you, because of the fact they want to cover whatever investments they make in a reasonable period of time.

You talk about reducing your maintenance. I don't judge all the park programs by those in my State, but I would hate to think of leaving the garbage uncollected. It all tends to ferment very quickly. We have a great deal of pride at the State park level, Mr. Chairman. I say this as a matter of fact, not a boast. We claim to have the No. 1 park system in the area as far as State parks are concerned. One of the most frequent comments is about the frequent collections of garbage and refuse that the public leaves there, and they are very careful in providing places to leave such garbage, with less stringing out between the car and the campground. So I would hope you would give a very careful look at that before you take that action.

JAMES GARFIELD HOME, OHIO

One last question. When you talk about the backlog you have in the various existing facilities, I am also mindful of the backlog we must have in the historic places that you have on your Register. I was out at the James Garfield Home a few weeks ago and I was appalled at its poor condition. They have a nice bronze plaque in cement. Frankly, I would think you would want to cover that plaque because of the condition of that house and the deterioration of that home and the surrounding buildings. I was appalled. This was claimed to be on the National Register under your jurisdiction. I know that you have financial problems, but I think before you put up bronze plaques, I would make sure I had some funding programs to put it into shape

for the public to see it rather than to see the conditions that I saw out there at this time. I know it is closed for the season, but you can't maintain things like that with little old ladies in their long dresses doing their best to give it the care and love it needs. It has to have funding.

Mr. EVERHARDT. There is a great need for historic preservation. Many of these properties are maintained by the States. I am not too certain about the one you mentioned, the Garfield House.

Senator HATFIELD. I think it is. The Ohio State Historic——

Secretary REED. They own the building—very few of them are owned by the Federal Government—then they make application for a grant, and I have no idea, but I am going to find out, whether they have applied.

Senator HATFIELD. As I say, the bronze plaque is a special thing, and I hate to see the Federal Government's name there as if this was somehow Federal responsibility, and then to see the lack of care.

HISTORIC PRESERVATION GRANTS

Mr. EVERHARDT. More important, the States have generated requests to Mr. Rogers and Dr. Connally, who are responsible for the historic grants program, estimated to be in excess of $400 million. These requests for grants for historic properties throughout this country are for stabilization and preservation that you speak of. The Park Service feels that we could probably handle, on a recurring basis for the next 6 to 8 years, somewhere in the neighborhood of $100 to $120 million in our historic grant programs.

Senator HATFIELD. I am grateful for your comments, and would you give me an update on what your estimate of the time schedule for Crater Lake is and what plans you have for that?

Mr. EVERHARDT. Yes.

[The information follows:]

The Master Plan for Crater Lake is now being prepared including an environmental impact statement. It is anticipated that the master plan will be completed in Fiscal 1976. No further development can be undertaken until a restudy of the master plan and an environmental impact statement is completed and the two documents are available to the public. We would also point out that the development needs may change because of new master plan requirements and public comments.

INCREASE FOR MAINTENANCE OF PARK AREAS

Senator BYRD. Your justification shows the $2.2 million increase for maintenance in the park system would provide a total program of $98.6 million. What is the estimated backlog in maintenance?

Mr. EVERHARDT. The annual maintenance backlog is about $25 million of which $11 million is in the maintenance of buildings and utility systems and $14 million in roads and trails.

The buildings and utilities maintenance typically includes such things as water and sewer system rehabilitation; picnic and campground site rehabilitation and facility replacement; historic structures maintenance; new required utility system monitoring; and museum exhibit and interpretive sign maintenance.

Roads and trails maintenance includes such things as surface resealing; surface leveling and half-soling; roadside hazard correction; bridge inspection; vista clearing; and slope scaling and stabilization.

Some progress is being made in improving maintenance of facilities, however, to the extent that the maintenance programs do not keep pace; the requirements are ever increasing.

Senator BYRD. What portion of the maintenance increase is simply to cover cost increases?

Mr. EVERHARDT. The increases totaling $2.2 million that we are requesting are to perform maintenance services that we are not now doing to the extent, that we should be, to maintain and protect roads and buildings and utilities for which we are responsible. In one sense, they are all a result of cost increases to the extent that these have been deferred so that other jobs could be done. But actually, the parks just have to absorb cost increases within their base allocation, and these increases are to accomplish jobs not currently funded.

STATUS OF CONCESSIONAIRE DEVELOPMENT PLANS

Senator BYRD. Mr. Everhardt, what is the status of your concessionaire development plans?

Mr. EVERHARDT. Mr. Chairman, that is being reviewed. As you know, we have a master plan under way at Yosemite at this time. Assistant Secretary Reed several months ago along with former Director Walker, challenged the National Park Service to go back and reassess its master plan preparation. In the next 20 months we will be coming forth with a new master plan of Yosemite National Park. Until that time there will be no concessionaire developments, and no development of any type in Yosemite until we have completed an approved master plan that will give us guidance for the future.

NATURAL FIRE POLICY

Senator BYRD. There was controversy last year over a policy to permit a wildfire to burn itself out in a least one park unit. Would you bring the committee up to date on that?

Mr. EVERHARDT. Yes, sir. I think that probably involved an area that I was closely associated with last summer. The natural fire policy of the National Park Service, Mr. Chairman, has been based on many years of research. Some 13 areas of the system have now developed what we call fire vegetative management plans. At these areas ecologists have gone into an area, and studied the fire history of hundreds and hundreds of years, they have studied the vegetation problems, they have looked at all the ground cover and theseries of successes of various vegetations, and from this research have developed what we call a fire vegetative manual plan. Under certain prescribed conditions we would either allow three conditions to exist. We would either take suppression action against a fire, or we may even carry out a prescribed burn in certain areas. I think one of the best examples of prescribed burning was at Sequoia where the understory under the great Sequoias was getting to the point where if a fire had rampaged through that area it would probably have brought great damage to the

Sequoias. So through prescribed burning we are able to clear the understory under the Sequoias.

This burning is a part of the history of fire. The researchers have said this happened over a certain time-frame. In the natural area fire systems we are allowing naturally caused fires to burn in certain areas, and this is to maintain a natural ecology, a natural environment, where man or facilities are not threatened.

HARPERS FERRY NATIONAL HISTORICAL PARK

Senator BYRD. Let's talk a little about the Harpers Ferry National Historical Park. Late last year and early this year I contacted officials of the National Park Service and Secretary Morton to urge that the Department include in its fiscal year 1976 budget the necessary funding to meet the Park Service's contribution to the joint sewage selection system proposed for construction in Jefferson County, W. Va. Can you tell me at this time whether funds for this purpose were included in your fiscal year 1976 agency request and thereafter in your departmental requests which were transmitted to OMB?

Mr. EVERHARDT. No, sir, the request for the sewer system was dropped for two reasons.

Senator BYRD. Dropped out at what point?

Mr. EVERHARDT. In our request for fiscal 1976 funding to the Congress.

One reason was that we had a low ceiling for our construction program. The other reason was that we found out in discussing this with the Environmental Protection Agency that the grant for their matching share would expire on June 30 of this year, 1975. So if anything is going to be done there, which we would certainly be in favor of it is going to have to be done before that matching grant from EPA expires in June.

Senator BYRD. Was this included in your original submission to OMB?

Mr. EVERHARDT. Yes; it was.

Senator BYRD. Did OMB impose some low spending ceilings that caused it to be eliminated?

Mr. EVERHARDT. Yes.

Senator BYRD. How much did the National Park Service request for the sewer project in its original submission?

Mr. EVERHARDT. $2.6 million, Mr. Chairman.

SEWAGE PROJECT FUNDING

Senator BYRD. The subcommittee recently marked up its portion of the Emergency Employment Appropriations Act, 1975, and included $35.61 million within that bill for labor intensive projects to improve the National Park System. Am I correct in understanding that within that amount you would propose to fund your share of this joint sewer project which would be approximately $2.3 million or $2.6 million?

Mr. EVERHARDT. Yes, sir.

Senator BYRD. What is the yes answer to?

Mr. EVERHARDT. We have included $2.3 million in that program for our share of construction of a modern sewer system.

Senator BYRD. Am I correct in understanding that this amount within the $35 million you would propose to fund $2.3 million for the joint sewer project?

Mr. EVERHARDT. Yes.

Senator BYRD. Would your officials be prepared to move ahead with this project expeditiously in order to meet this deadline of June 30 and have you made advance preparations toward that objective?

Mr. EVERHARDT. Yes; we would give every attention to moving ahead with that. As I understand it, the city has the responsibility for development of plans and specifications so if they are well along I would see no problem.

Senator BYRD. As far as the Park Service is concerned, though, you would have no problem in moving ahead fast?

Mr. EVERHARDT. No problem. I think 60 days, sir, is our estimate of getting that $2.3 million obligated, which I assume would only take a memorandum of understanding between the appropriate agencies. That is not a very long or detailed process.

Senator BYRD. I understand that the existing sewer facilities are currently in violation of EPA sanitary and health standards and it would appear to be essential that this project be undertaken at the earliest possible date. So I would appreciate any action that can be taken by Park Service personnel to move this project forward with all possible speed.

DETERIORATED BUILDINGS AT HARPERS FERRY

This committee last year included $115,000 for preliminary planning work on renovation of several deteriorated buildings at the Harpers Ferry National Historical Park. What is the status of the planning work?

Mr. EVERHARDT. The planning is moving right ahead, Mr. Chairman. We have estimated the total renovation cost of the eight buildings involved would be $1,050,000. There is also some additional restoration work that we also are interested in, and this has been estimated at $1.5 million for some other historic buildings in Harpers Ferry. We have included both of these figures, a total of about $2.5 million in the job opportunity program, that was recently submitted to Congress, to carry out that restoration stabilization and preservation work as a followup to the $115,000 for planning.

Senator BYRD. Is this the total for the renovation job, the overall work itself?

Mr. EVERHARDT. Yes.

Senator BYRD. Can this work be phased over a number of years?

Mr. EVERHARDT. Our people have estimated, Mr. Chairman, that the restoration work amounting to about $500,000 can begin immediately, as soon as funds are made available, and the balance then would be obligated before the end of fiscal year 1976. It looks as if there would be about a 2 to 3 year program there.

STREET REPAIRS AT HARPERS FERRY HISTORIC PARK

Senator BYRD. Three years ago this committee included $50,000 to enable the Park Service to pay for the repair of certain streets in

Harpers Ferry that had become damaged by heavy use of park vehicles and visitors' traffic. That amount only partially completed the job. Can you tell us how many linear feet still require funding and require repairing, and what the cost would be?

Mr. EVERHARDT. About 3,600 lineal feet of street repair still remains to be done at a cost of $130,000. However, we would recommend that this repair work not be accomplished at this time. As you know they will be laying pipe under the streets as part of the sewer system project.

We would recommend coordination with that project with respect to the remaining street repairs.

NATIONAL PARK SERVICE PLANNING PROCESS

Senator BYRD. You speak of improving the Park Service's planning process. What do you mean?

Mr. EVERHARDT. I think that we are talking with respect to more public involvement in our planning process. I think the Park Service in the last year or two has made tremendous strides in the involvement of the public, all sectors of the public, in its planning process. There is just a huge amount of interest among conservation groups, the public, the concessioners, all of those surrounding a park to be involved.

But answering more specifically, Mr. Chairman, we have been criticized, and rightly so, in not being able to obligate construction funds on a timely basis. To improve this record, we are emphasizing the three-stage process, following the master plan stage, of advance planning, project planning, and then brick and mortar construction. All too often, because of pressure to get things done, we have asked for construction moneys along with the planning funds. If the planning requires a year to complete, then we have a large bulk of funds, the construction portion, laying idle and unobligated. In the future, we will not come to you, or to the House committee asking for funding of the next stage until the preceeding stage is complete or scheduled to be completed in the budget year.

We are also trying to streamline our master planning so that more essential jobs get done. We are trying to divert our resources to the most essential master plan, without trying to undertake a master plan study for every park of the system.

We are also looking at the question of how much regional planning, to what extent, how do we coordinate with other adjacent agencies and the gateway communities, so that a regional package can be coordinated and accomplished on a very timely basis.

So these are some of the areas that we are concerned with. We are asking our people to give us some guidance and directions for the future with respect to master planning.

MALL PARKING

Senator BYRD. We have heard some rather dire predictions that you might refer again to the discussion about the Bicentennial, about the parking problem in Washington during the peak period. What do you have to say about that?

Mr. EVERHARDT. It is certainly an appropriate question, Mr. Chairman. I am concerned about how we are going to handle people here. I was most unhappy, I guess, with the outcome of events with respect to the Mall parking situation. We do have with us today the regional director of the National Capital Parks, Mr. Jack Fish. I would like to ask Jack if he has any further comments with respect to that problem.

Senator BYRD. Yes; and what about the ban on parking on the Mall? Tell us about that.

Mr. FISH. On the ban on the parking, Mr. Chairman, we are in the process now of preparing, as the court has ordered, an environmental impact statement. We also have asked the Justice Department to appeal the decision. But with regard to parking, I think, as perhaps you know, the Department of Transportation is requesting $10 million for transportation plans for Washington in the Bicentennial year. This would encompass two satellite parking facilities, one at R. F. Kennedy Stadium, and then another one at the Pentagon South Post area. There would be some construction associated with that at the South Post area. But it is predicted that there will be 35 million visitors to the city in 1976. I think that compares to about the 20 or 25 million that we have now. So we expect a very significant increase in visitation and I think transportation is going to be one of the most serious problems that we face during the Bicentennial year here.

Senator BYRD. Do you think you are going to be able to handle this problem?

Mr. FISH. It is going to be very difficult. We had hoped to get a handle on it with our experimental program that we had instituted between the Mall and RFK Stadium. We will, I am sure, be able to handle it, but it is going to require people perhaps programing their visits at a little different time, keeping facilities open longer than we normally would, and just a greater utilization of mass transit.

NATIONAL CAPITAL PARKS

Senator BYRD. Mr. Everhardt, your regional breakdown of park management cost shows National Capital Parks to be the most expensive, far and away; why is that?

Mr. EVERHARDT. Jack, would you like to answer that?

Mr. FISH. Well, we have about 12 different areas, in National Capital Parks. We spread throughout the metropolitan Washington area, some 56,000 acres including Prince William Park, Wolf Trap, Harpers Ferry, C. & O. Canal, as well as the downtown monuments and memorials. We have on the rolls of the National Capital Park close to 2,000 permanent employees. I think that is why the cost of running National Capital Parks would appear to be high.

Senator BYRD. In other words, it is to pay people.

Mr. FISH. That is the basic cost, Mr. Chairman.

Mr. EVERHARDT. Relating to that cost, Mr. Chairman, National Capital Parks also has the responsibility of the National Capital Park Police. There are 624 men and women in this force at a cost of about $11.8 million annually to provide protection for this area. In any other region this amount would normally be in the individual park budget.

So that distinction also adds to the cost for National Capital Park region.

Senator BYRD. What is the dollar figure on that police?

Mr. EVERHARDT. $11.8 million.

NATIONAL CAPITAL PARKS BUDGET

Senator BYRD. How much of your National Capital management budget is devoted to the parkways?

Mr. EVERHARDT. About $1,600,000 for operation and maintenance and $1,375,000 for policing.

Senator BYRD. Why are executive direction costs of the National Capital Parks so much higher than other regions?

Mr. EVERHARDT. To promote efficiency and economy, certain functions are performed centrally in the National Capital Parks headquarters which are generally decentralized to parks under the regions. Accordingly, there are more positions funded under "Executive direction" in National Capital Parks which primarily accounts for the higher level of costs. For example, the headquarters office of NCP administers the central area of the District of Columbia. This area extends from the Capitol to the Potomac on both sides of the Mall, Haines Point, and Rock Creek Park. This program is in excess of $8 million annually. No regional office provides the administrative support for a program of this magnitude. Additionally, because the District of Columbia is the seat of the Federal Government, a significantly larger workload of liaison work is required in comparison with that required of normal regional headquarters offices. Also, the White House liaison staff is financed from executive direction funds which is, of course, not comparable with normal regional administration.

LEASING OF RADIO EQUIPMENT

Senator BYRD. As far back as 1968 the GAO reported the Park Service could save money by purchasing instead of leasing radio equipment. What is the Park Service doing about that?

Mr. EVERHARDT. We have replied to GAO on that, Mr. Chairman, and we are complying with their review of the question of leasing versus outright purchase. We can certainly submit the reply for the record, if you would like.

Senator BYRD. Very well. Do that.

[The information follows:]

UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

B-160410 SEP 17 1974

The Honorable
The Secretary of Interior

Dear Mr. Secretary:

In May 1968 the General Accounting Office issued a report to the Congress entitled "Cost Reductions Available to Civil Agencies By Purchasing Rather than Leasing Two-Way Radio Equipment" (B-160410). In that report it was noted that had several Government agencies, including the Department of Interior, purchased rather than leased radio equipment, cost savings could have been obtained. Adequate cost studies had not always been made prior to entering into the leasing agreements.

Our recent survey of the Federal Government's management and use of non-tactical radio equipment (code 941027) indicates there are still many Interior activities in the Western United States leasing radio equipment at increased cost to the Government. Because this practice may also be prevalent in other areas of the United States, we are presenting our observations for your consideration.

Federal Property Management Regulations (Subpart 101-25.5) stress the fact that savings are realizable in many cases through purchase rather than lease of equipment, and require consideration of the relative costs of leasing versus purchasing, prior to acquisition. They also require study of existing leases to determine the feasibility of purchasing equipment. These studies had not been made at locations visited during the survey.

Ten parks in the Western United States lease radio communications equipment at an annual cost of about $168,000. We were told the primary reason for leasing was a lack of funding for capital expenditures. The following example is illustrative of the situations observed:

Yosemite National Park is leasing radio equipment from Motorola, Inc., for about $3,800 a month. If purchased, the equipment would cost about $165,000. Under provisions of the lease agreement, this equipment will become the property of the Government after five years. At that time over $227,000 will have been paid in lease payments, which is about $62,000 more than it would have cost to purchase the equipment initially.

In present value terms, based on the current yield rate of 8 percent for Treasury Notes, the total five year lease payments would amount to $187,832, or $22,832 more than the present purchase price. This represents a 13.8 percent added cost to the Government above the cost of borrowing money to purchase rather than to lease the radio equipment.

At the time the 1968 GAO report was issued, the Department of Interior stated its decision to lease was based on (1) maintenance

support for leased equipment, (2) short-term or seasonal use, and (3) the ability to turn back leased equipment after a year if it was found inferior. We do not think these reasons are valid today.

Maintenance is easily obtainable through GSA contracts which provide that the equipment manufacturer will maintain both owned and leased equipment at the same cost. In addition, we noted some locations where leased and owned equipment was being maintained in-house.

The ability to turn back equipment which is used on a seasonal basis, or is found to be inferior, does provide some degree of flexibility, but it is usually not financially advantageous for the Government because of significant termination charges. These charges, when added to lease payments, can equal or surpass the equipment's original cost. To terminate a lease will cost a minimum of 86 percent of the equipment's original cost for Motorola equipment, and 78 percent for General Elcctric equipment. For example, to terminate a lease for $100 worth of radio equipment prior to the recapture date (the date the equipment automatically becomes the Government's property--60 months for Motorola and 77.5 months for General Electric) will cost:

Terminate after	Motorola			General Electric		
	Lease payments	Termination charges	Total	Lease payments	Termination charges	Total
One month	$ 2	$84	$ 86	$ 2	$76	$ 78
Six months	14	72	86	14	76	90
One year	29	57	86	27	76	103
Two years	58	28	86	55	50	105
Three years	86	0	86	82	25	107
Four years	115	0	115	110	0	110
etc.						

Note: Figures are rounded to the nearest dollar.

The following example further illustrates the disadvantage inherent in terminating lease agreements:

--In late 1965 and early 1966 the Mid-Pacific Region of the Bureau of Reclamation leased radio equipment valued at about $13,600 from the General Electric Company for the Pacific Northwest-Southwest Intertie system. At the time the equipment was turned back in 1968, lease payments totaled about $9,700. An additional $3,900 was paid in termination charges, or a total of about $13,600. Accordingly, although the Government essentially purchased the equipment, it did not obtain ownership.

Because the Department of Interior continues to lease rather than purchase radio equipment, significant cost savings are being lost to the Government. This practice may be followed because required lease versus purchase studies have not been made.

We recommend that the Department of Interior require that adequate lease versus purchase studies be made on all radio equipment prior to entering into lease or purchase agreements.

As you know, section 236 of the Legislative Reorganization Act of 1970 requires the head of a Federal agency to submit a written statement on actions he has taken on our recommendations to the House and Senate Committees on Government Operations not later than 60 days after the date of the report and the House and Senate Committees on Appropriations with the agency's first request for appropriations made more than 60 days after the date of the report.

We would appreciate your comments regarding our observations. If you or your staff have questions or wish to discuss this matter in greater detail, please contact Mr. Fred Shafer, Director, Logistics and Communications Division.

Sincerely yours,

Henry Eschwege

Henry Eschwege
Director

United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

DEC 17 1974

Mr. Henry Eschwege, Director
Resources and Economic Development Division
U.S. General Accounting Office
Washington, D.C. 20548

Dear Mr. Eschwege:

This is in reply to your letter of September 17 (B-160410) concerning management and use of nontactical two-way radio equipment.

Your letter stresses the fact that savings are realizable in many cases through purchase rather than lease of equipment, and consideration of the relative costs of leasing versus purchasing are required prior to acquisition.

We concur with your observations and recognize and endorse the need to make adequate lease versus purchase evaluations prior to entering into lease or purchase agreement. Nevertheless, such evaluations, taking into account cost and other factors, may, in certain instances, show that leasing is in the interest of the Government and thus should be followed.

To facilitate management in this area, we will, as a matter of policy, require such evaluations where the determination has been made that the Federal Government is to provide a two-way radio communication service. Our intent is to obtain radio communication service, where required, by the means most advantageous to the Government consistent with both Federal procurement and telecommunication policies including Office of Telecommunications Policy Circular No. 13, June 21, 1974, Federal Use of Commercial Telecommunication Service.

With reference to your comments on leasing by National Park Service, we enclose a memorandum from the NPS dated November 11, 1974, which describes actions taken, and being taken, by the Service to insure that purchase is accomplished rather than lease wherever this is justified and is feasible.

If further information is needed, please let me know.

Sincerely yours,

/sgd/ Allan L. Reynolds

Director of Audit and Investigation

United States Department of the Interior

NATIONAL PARK SERVICE
WASHINGTON, D.C. 20240

D5027-AM

NOV 11 1974

Memorandum

To: Assistant Director for Procurement, Office of Management Services

Through: Assistant Secretary for Fish and Wildlife and Parks

From: Acting Associate Director, Administration, National Park Service

Subject: General Accounting Office Report (B-160410) regarding cost reductions available to civil agencies by purchasing rather than leasing two-way radio equipment

In response to your subject memorandum of October 7, 1974, we generally concur with the observations and recommendations made by the General Accounting Office. Action has already been taken in numerous instances to purchase leased equipment. Specifically, in our Western Region, we recently purchased the systems in Yosemite and four other major areas, and purchase is in progress at two other areas. Studies are in progress and are expected to be completed this winter on the remaining areas where radio equipment is still under lease to determine the economics and feasibility of early purchase. We are hopeful the purchase program will be completed this fiscal year.

The above approach is generally being applied throughout the National Park Service; and where economically feasible, purchase is accomplished as funds can be made available. Systems in the National Park Service in the northern tier and the eastern half of the United States are predominantly owned, with the remaining leased systems scheduled for study or in progress of being purchased.

The above actions are largely the result of a policy and procedural memorandum issued by this Office on February 28, 1974, concerning acquisition of communications equipment. A copy is enclosed for your information. We believe we are in compliance with the intent of FPMR 101-25.5 if the lead time for programming funds is recognized in relation to unanticipated changes in protection and management requirements or the sudden creation of new areas.

Chas. H. Stanger

United States Department of the Interior

NATIONAL PARK SERVICE
WASHINGTON, D.C. 20240

D5027-AM

FEB 2 8 1974

Memorandum

To: Regional Directors; Director, National Capital Parks; and Manager, Denver Service Center

From: Associate Director, Administration

Subject: Use of Federal Supply Schedules for Rental and/or Maintenance of Communications Equipment

During FY 74 the National Park Service has had no vehicle by which to place orders for purchase, rental, or maintenance of communications equipment from Motorola, Inc., because GSA Contract No. GS-00S-07831 (expiring June 30, 1973) had not been renewed. However, RCA, GE, and several other companies did have valid GSA contracts.

Effective January 23, 1974, Motorola, Inc., signed a new contract with GSA (Number GS-00S-26052).

Procurement activities within your respective regions are authorized to issue orders under these contracts provided that the following instructions are adhered to. These instructions are effective immediately and shall apply equally to all qualified proposed suppliers:

1. Review of Offerings

All acquisitions of communications equipment shall be consistent with FPMR 101-26.408. To this end, the product offerings of the maximum number of qualified sources shall be reviewed. Where reference data is not sufficiently explicit with regard to the offering of the supplier to fulfill a specific requirement, contact may be made directly with the supplier's representative to obtain additional data as required. However, the following specific guidelines shall be followed:

(a) On new system designs, and on major additions or modernization of existing programs, the assistance of the Denver Service Center shall be solicited for review of technical requirements. Initial contact with suppliers for such systems shall be accomplished by the Service Center through designated liaison officials of the supplier. The Service Center shall reserve the right to design such systems independent of the engineering services of any supplier.

(b) On additions to existing systems not falling in the above category, and not further restricted by other paragraphs of this memorandum, ordering offices may effect their own supplier qualification subject to the Certification requirement listed in item 6.

2. Selection of Suppliers

Orders shall be placed under one of the contracts only after ordering offices have, through accepted procurement practices and the review procedures established above, considered all qualified prospective sources for the supplies/services and have determined that the proposed supplier is the source of the order on the basis of best advantage to the Government, price and other factors considered. Procurement procedures set forth in FPMR 101-26.408 shall be followed in evaluating offerings for the best advantage of the Government, rather than preference on a selective personal basis.

3. Orders for Leased Equipment

Orders for lease of new or additional communications equipment under any contract may be placed only after a written determination has been made that the lease method of acquisition is to the best advantage of the Government. To adhere to this instruction, ordering activities shall follow guidelines for making purchase or lease determinations in FPMR 101-26.5.

4. Orders for Maintenance Services

Orders for maintenance of communications equipment under any contract shall be placed only after ordering activities have determined that the supplier offers the best advantage to the Government, the following factors considered in order of priority:

(a) Price of service.

(b) Ability to respond to equipment failures in emergencies.

(c) Proximity of the maintenance facilities.

5. Orders for Direct Purchase

The provisions for lease and later "recapture" (purchasing the equity in previously leased equipment) shall not be used to obviate the determination made in paragraph three (3) above. Direct purchase shall be used whenever a determination has been made that this method of acquisition offers the best advantage to the Government, other factors considered.

Recapture shall be used only in those instances where the equipment was initially leased because equipment was required immediately, but funds were not available to purchase the equipment. Proper planning with the use of Form 10-238 must be given attention in the future to eliminate this method of acquisition except in unforseeable or emergency circumstances.

6. Equipment Certification

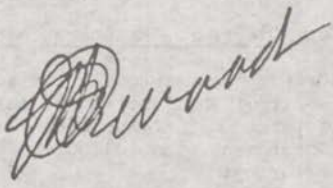
Pursuant to FO 69-54, only equipment whichhas been certified by the U.S. Forest Service Electronics Laboratory for use by the U.S. Forest Service may be acquired. Additional restriction and/or waivers may be imposed or granted relative to acceptability of communications equipment by the Communications Engineer, Denver

Service Center, as required to satisfy technical requirements of the individual system.

7. Approvals

All prospective orders for radio transceivers in quantities of two or more, radio accessory equipment orders in excess of $600 net worth and mixed orders in excess of $2000 net worth shall be reviewed and approved by the Communications Engineer, Denver Service Center, prior to issuance. Such approval shall be in addition to any other specific approvals required and will be made at a level between that of the Superintendent and that of the Regional Director.

The two-way radio equipment business is highly competitive. I caution that violation of procurement regulations, (particularly the FPMR) will undoubtedly result in a formal protest from competitors. Therefore, we have attempted to spell out the procurement requirement as clearly as possible. Please be sure the contents of this memorandum are disseminated to all officers with contracting or purchasing authority.



Senator BYRD. In general, what is the Park Service doing about it?

Mr. EVERHARDT. Where it is more advantageous in some areas, we are buying the radio equipment, as recommended by GAO. I think there are other areas, however, Mr. Chairman, that are leasing radio equipment. This has been necessary because of the lack of money to enter into the capital expenditure required for some of these radio systems.

One of the things that leasing does do for you is that it allows you to keep current with new equipment. If you are familiar with the radio equipment situation, new methodology, new technology results in continual updating of this equipment which makes it easier for our people and that is one advantage that I think it well worth exploring.

COST OF OFFICE SPACE

Senator BYRD. Your rent increase charged by GSA is up about 15 percent. How does this compare to going commercial rates?

Mr. EVERHARDT. The increased rental charge by the General Services Administration of approximately 15 percent above our fiscal year 1975 estimate is because of increased space projections for fiscal year 1976, and the standard level user charges by GSA as authorized by the Public Building Amendments of 1972, Public Law 92–313.

The commercial rate is calculated by GSA and we are not privy to these calculations. This law says that both the commercial rate and the standard level user charge will be compatible. In those instances where we are aware of the actual lease cost, the standard level user charge is consistently higher. This is probably explained by the additional security, janitorial and other services we are billed for by GSA and the fact that current lease rates are used in the calculation rather than existing rates negotiated sometime in the past.

TRAVEL COSTS

Senator BYRD. How much of the nearly $6 million for travel is for training?

Mr. EVERHARDT. About $1.4 million is involved in travel to training functions.

Senator BYRD. How much of it is allotted to the Washington Office?

Mr. EVERHARDT. About $738,000 is for the Washington Office, which includes travel to training functions of Washington Office personnel.

CONSTRUCTION PROGRAM

Senator BYRD. Construction, we have already noted, is down considerably from the current year. Park Service construction, however, is now divided among three accounts: Planning and construction, the recreation fee account, and road construction. For a more accurate comparison, please display a summary of these three accounts as you have on page 79 of the justifications, limiting the amounts to construction only, and provide fiscal 1974 and 1975 figures for comparison. You can do that for the record.

Mr. EVERHARDT. Yes.

[The summary follows:]

SUMMARY COMPARISON OF CONSTRUCTION PROGRAM BY FUND SOURCE AND BY FISCAL YEAR

[In thousands of dollars]

Fund source	Fiscal year— 1974	1975	1976
Planning and construction buildings and utilities	$11, 200	$48, 641	$13, 452
Road construction: roads, trails and parkways	23, 553	38, 926	10, 544
Recreation facilities	21, 978	1, 292	8, 182
Total	56, 731	88, 859	32, 178

UNOBLIGATED BALANCES OF CONSTRUCTION FUNDS

Senator BYRD. What is the total unobligated balance for all programed construction funding estimated for the end of fiscal 1975? Also, please supply the unobligated balances for 1974 and estimated for 1976.

Mr. EVERHARDT. A statement listing the unobligated balances for construction funding will be furnished for the record.

[The information follows:]

UNOBLIGATED BALANCES

[In thousands of dollars]

Appropriation	Fiscal year— 1974 Actual	1975 estimated	1976 estimated
Road construction	$28, 530	$32, 456	.....
Planning and construction	37, 813	23, 313	.....
Planning, development and operation of recreation facilities (construction portion)	[1] 5, 076	.....	.....

[1] Estimated amount for construction portion.

STATUS OF PROJECTS PROPOSED FOR REPROGRAMING

Senator BYRD. The Park Service recently proposed reprograming several project funds for use on the National Visitor Center. This request was turned down, as we discussed earlier. What is the status of those various projects now? Is work going ahead on them?

Mr. EVERHARDT. Since the projects which would have been deferred were still needed by the Service, with the exception of the $1 million for the visitor pavilion portion of the Constitution Gardens, the Service continued its work on the preconstruction planning and design for all of the projects. These projects are now scheduled to be accomplished.

CONSTITUTION GARDENS

Senator BYRD. Bring the committee up to date on Constitution Gardens. We understand the project has been modified—again.

Mr. EVERHARDT. The only change since the plan was approved by the National Capital Planning Commission has been the postponement of the construction of the visitor pavilion.

Senator BYRD. Will Constitution Gardens be ready for the Bicentennial year?

Mr. EVERHARDT. Yes, sir, it will be.

Senator BYRD. Tell us about the $1 million you now propose to reprogram from Constitution Gardens.

Mr. EVERHARDT. On March 31, we sent a letter to this subcommittee and the House Interior and Related Agencies Subcommittee on Appropriations, proposing to reprogram the $1 million of planning and construction funds from Constitution Gardens to provide funding for two very important projects, one for the Jefferson Memorial, District of Columbia, and the other for the Colonial National Historical Park, Va.

We have proposed to reprogram $750,000 to install facilities for handicapped persons at the Jefferson Memorial. The project will provide a series of ramps leading underground from the outside sidewalk to an area underneath the memorial. A foyer area and elevator facilities will be constructed underneath the memorial, and restrooms will be located in the vicinity of the elevator.

We have requested authority to use the remaining $250,000 for emergency reconstruction of the Jamestown Glasshouse Building, Colonial NHP, which was almost totally destroyed by fire this past October. This structure housed the historical glassblowing "living" demonstration exhibit. The $250,000 will provide for the reconstruction of the entire structure, including the salvaging and enlarging of the glassblowing furnaces.

BIKE TRAILS ON GEORGE WASHINGTON PARKWAY

Senator BYRD. Why do you propose spending one half million dollars on relocating the Mount Vernon bike trail? Wasn't that trail just recently built?

Mr. EVERHARDT. Most of the bicycle trail from Arlington to Mount Vernon was built in 1972 and 1973, but it has not been completed. Because of limited funds, and to get the entire trail linked as quickly as possible, we used county roads in the Collingwood area. This project will now remove the bikeway from the county roads by providing a pathway separate from vehicular traffic and away from the residential area, and it will be wholly on park property.

This development consists of 3.2 miles of surfaced trail and 1,900 feet of raised structures between Fort Hunt and Alexandria Avenue. Use now averages more than 20,500 bicyclists per month and should increase significantly, once the overpass is completed. This relocation provides for a shoreline trail between Fort Hunt and Collingwood, an overpass between Collingwood and Wellington Roads and a trail north to Alexandria on the west side of the Parkway. The project will relocate the trail in a more scenic environment, remove it from residential areas, and provide improved safety for both hikers and bikers.

SHENANDOAH NATIONAL PARK

Senator BYRD. You have included an expensive sewage treatement project for the Shenandoah National Park in the 1976 program. What is the need for this?

Mr. EVERHARDT. Existing sewage treatment facilities at Shenandoah National Park consist of Inhoff tanks which provide only primary

treatment and are presently being overloaded. The system at Big Meadows, as well as those serving the developed areas at Skyland, Matthews Arm, Panorama, and Loft Mountain have been inspected by the Environmental Protection Agency and the Public Health Service. Both agencies have recommended upgrading of the wastewater treatment facilities to meet the State of Virginia water quality standards. Draft discharge permits issued by EPA require these facilities be upgraded by July 1, 1977.

The majority of streams within Shenandoah have been classified as natural trout streams by the Virginia Water Control Board. To maintain the water quality of those streams, sewage effluent must meet stringent requirements of maintaining a quality commensurate with these waters.

Engineering studies by the firm of Burns & Loewe were completed April 1973 for facilities at Big Meadows and Skyland. These studies were reviewed by the Environmental Protection Agency, the State department of health, and the State water control board. To meet the water quality standards necessary for Shenandoah, the expensive tertiary treatment facilities are required. Comprehensive design and preparation of the construction drawings are currently underway for both the Big Meadows and Skyland treatment facilities. The budget requests include funding only for the Big Meadows facility. Engineering studies are underway for the facilities at Loft Mountain, Panorama, and Matthews Arm.

JEFFERSON NATIONAL EXPANSION MEMORIAL

Senator BYRD. Justify the $1.1 million request for the Jefferson Historic Museum.

Mr. EVERHARDT. The museum facility is presently being constructed and comprises 42,912 square feet. The funds requested are for the construction and installation of exhibits and audiovisual programs necessary to provide interpretation and to tell the story of the westward expansion of the United States. The exhibits will present the story from the point of view of the different people and cultures involved in the acquisition and settlement of the West and enable the visitor to identify the events as they occurred.

The material will consist of over 1,200 pieces of graphics and more than 600 objects or artifacts of the period. The exhibits will range from small items such as photographs and firearms through plants, stuffed animals to a replica bull boat, an overland wagon and replica sod house. In addition over 600 feet of background photomural wall covering will be developed, and a 110-foot multiscreen image wall will be utilized for visual presentation of events during this historic period of westward migration.

Senator BYRD. What is the status of the visitor center project we funded for the Jefferson site?

Mr. EVERHARDT. The contract for construction of the museum of westward expansion adjacent to the visitor center in the Arch Complex was awarded on June 4, 1974, to Hankins Construction Company of Clayton, Mo. The work is proceeding satisfactorily with 58 percent accomplished and is presently scheduled for completion January 8, 1976.

GRAND CANYON NATIONAL PARK

Senator BYRD. $2.5 million is requested for water system rehabilitation at Grand Canyon. Please justify that large expenditure.

Mr. EVERHARDT. There is a 3 mile existing water pipeline and pumps which were built in 1929 by a private company. They were donated to the National Park Service in 1973.

The pipeline diameter is 3½ inches. It is difficult to find this size pipe, and the fittings and tools for it. The pipe follows a tortuous route into the canyon. It is often held in place by old telephone wires. Nearly all of it is exposed to falling rocks. The pumps are antiquated and breakdowns occur frequently.

All replacement parts have to be specially made. Maintenance is, therefore, extremely expensive and it takes several months to obtain parts. The entire system must be modernized. Pumping systems and pipelines should be materials of current manufacture. The pipeline should be buried or otherwise constructed to be secure from rock slides and other natural hazards and should not be esthetically intrusive.

GLACIER BAY LODGE ACQUISITION

Senator BYRD. Tell us about the Glacier Bay Lodge acquisition, for which you request $500,000.

Mr. EVERHARDT. Sir, to give you some background information concerning the Lodge, in 1960 the National Park Service recognized a need for overnight accommodations for visitors to Glacier Bay National Monument. A prospectus was issued inviting qualified applicants to submit proposals to construct and operate overnight accommodations at Bartlett Cover.

The invitation was open for over 2 years with no applications being received. The Service, therefore, undertook development of a lodge which included 20 units. The lodge was opened in 1966 with the awarding of a concession contract to Glacier Bay Lodge, Inc., which submitted an offer in response to a prospectus for the operation of the Government-constructed facilities. It soon became evident that the 20 lodging units would not be sufficient, nor did this number provide an economic base for a concession operation.

The present concession contract, executed November 26, 1971, required the concessioner to undertake a two-phase development program. Phase 1 consisted of the expansion of overnight units by constructing 35 new lodging units at an estimated cost of not less than $400,000. Phase 2 called for the construction of an employee's dormitory within 4 years after completion of phase 1. The 35 lodging units were completed and placed in use in 1972. Construction of the dormitory has not been undertaken.

During 1972 and 1973, the concessioner lost $58,000 and $25,744, respectively.

The Concessioner has concluded that the operation cannot show a profit so long as it must service the outstanding debt.

Our plans are to acquire the 35 concessioner-constructed units, and renegotiate the existing concession contract with Glacier Bay Lodge, Inc., to reflect Government ownership of the facilities, and to allow it to continue providing highly desirable accommodations and Services for the public visiting Glacier Bay National Monument.

NEW AREA STUDIES

Senator BYRD. You are asking $500,000 for new area studies. Don't you have enough to do just now keeping up with the expansion that has already been authorized and concerning which you have already indicated there are many problems?

Mr. EVERHARDT. I would like to call on Dr. Curry, our Associate Director in charge of that program, Mr. Chairman. I think some of these are studies that come to us by various ways. But these are to determine the feasibility and suitability with respect to these new proposed areas that may be added to the system.

Dr. CURRY. Mr. Chairman, most of the studies we have projected in our new area studies are for prior congressional requests and they are basically in response to the Congress. We have a listing of the new area studies for the fiscal year 1975 which we would be glad to supply for the record.

[The information follows:]

LISTING OF NEW AREA STUDY PROJECTS FOR FISCAL 1975

The Fiscal 1975 budget for the National Park Service provides $582,900 for new area studies. Through this program the Service investigates, evaluates, and makes and supports recommendations to the Congress relating to proposals to add new areas to the National Park System. These proposals arise through suggestions from citizens, citizen organizations, and citizen advisory groups; through systematic natural and historical theme studies conducted by the National Park Service; and as a result of studies required by Acts of Congress. Much of the program activity, moreover, arises in response to inquiries and requests from individual Members of Congress and Congressional Committees concerning proposed and pending legislation. The Fiscal 1975 new area studies program includes 24 investigations and evaluations which are in various stages of completion at this time. Those studies include:

Big Thicket National Preserve, Texas.
Big South Fork National Recreation Area, Kentucky-Tennessee.
Bioluminescent Bays, Puerto Rico.
Boston National Historical Park, Massachusetts.
Channel Islands, California.
City of Rocks, Idaho.
Congaree Forest, South Carolina.
Florida Frontier Historic Riverway, Florida.
Senator George W. Norris Home, Nebraska.
Greenbelt Park, Maryland.
Greers Ferry, Arkansas.
Hagerman Fossil Beds, Idaho.
Honokohau Settlement, Hawaii.
John Day Fossile Beds, Oregon.
Klondike Gold Rush, Alaska-Washington.
Monument Valley, Arizona.
Ohio and Erie Canal, Ohio.
Potomac River, D.C.-Maryland-Virginia-West Virginia.
Sawtooth Mountains, Idaho.
Sewell-Belmont House, D.C.
Star Fort and Ninety-six, South Carolina.
Tall Grass Prairie, Oklahoma-Kansas.
Tuskegee Institute National Historic Site, Alabama.
Zuni-Cibola, New Mexico.

NEED FOR NEW AREA STUDIES

Secretary REED. Mr. Chairman, if I could support this item for a moment, I would say that it is essential to seek out the last areas in the lower 48 that are of national significance. There are not many

left. The basic System in the 48 is nearly there. I would hate to lose an area through other development because we would not closely examine it. There are one or two extraordinary swamps left. There are several historic sites that are left that I think are of national interest and, of course, in Alaska we do have the opportunity of the major withdrawal which the Congress authorized when it passed the Alaska Native Claims Settlement Act. I would rather err on the side of careful examination of a potential project, even if I were not able to open it or to adequately staff it, to protect it for another generation's use and another Congress, a better fiscal climate, to spend on it. But I would like to know what is left in the lower 48. As I say, there isn't very much. We have a few projects which I think will be of great interest to you, one of which would be of great interest to you, one in Idaho, perhaps. Then, there is a possibility of a project in South Carolina.

Dr. CURRY. The other advantage, Mr. Chairman, if I might add, is through this study program we eliminate consideration of many areas through the study process. As the prime conservation agency we are requested by outside groups through their representatives to investigate some of these areas that are of extremely local significance. Many times, that is where the reports lead us, to identify these for local significance and then suggest alternative means of protecting these resources through the Land and Water Conservation Fund.

Senator BYRD. How do you coordinate your new areas studies with the Bureau of Outdoor Recreation?

Dr. CURRY. We have, under the direction of Assistant Secretary Reed, established within the Department, the land planning group which includes all the members of not only the Interior Department agencies but also the Forest Service, from the Department of Agriculture, which draw upon the Land and Water Conservation Fund on the Federal side for its programs. We review each other's programs on at least a monthly basis, somtimes more frequently than that. We then make our recommendations to the Assistant Secretary as to whether we should proceed on some specific purchases. This is the prime vehicle for coordinating, so we don't duplicate studies.

INCREASE FOR MASTER PLANNING

Senator BYRD. Please make your case for the $1 million master planning increase. This item was reduced last year, as I recall, and we should know what impact this cut had.

Mr. EVERHARDT. The increase in master planning includes wilderness studies previously reflected separately in this activity and also the preparation of environmental impact statements which was previously funded under the cooperative programs activity. The actual increase requested for master planning is about $130,000, an amount needed to assist in accelerating master plans for recent additions to the national park system. Master plan completions and approvals have been slowed down as a result of changes in procedures and emphasis brought about by the requirements of the National Environmental Policy Act.

Last year's reduction was not in master planning, but in the advance planning program. For any construction or reconstruction that

is contemplated, advance planning is the starting point to provide for an orderly planning-design-construction process. Advance planning consists of topographic and aerial surveys, comprehensive designs, utility negotiations, archeological research, historic structures research and cost estimating of the ultimate facility to be constructed or reconstructed. This planning should be accomplished 2 or 3 years before development. A reduced advance planning program, for example, will necessitate that surveys be confined to only that portion to be accomplished for first stages of development, this means that additional surveys will be required in the same area as subsequent development is programed. This results in planning delays as well as increased costs for survey. The same holds true for the archeological research and comprehensive design elements of advance planning.

COOPERATIVE PROGRAMS

Senator BYRD. Why must you commit more than $1 million of your budget to assisting other Federal agencies and State and private organizations? Why can't this be shifted to the Bureau of Outdoor Recreation, where it would seem to belong?

Mr. EVERHARDT. Existing legislation requires Federal agencies and Bureaus—including the NPS and BOR—to cooperate with each other and with State and local agencies in land and water resource planning. In such endeavors, the Service seeks to assure that adequate consideration is given to protection of the Nation's outstanding natural, cultural and scenic values. Examples of cooperative land and water resource planning studies in which the NPS participates are comprehensive river basin, national trails, and wild and scenic river studies, as well as special planning studies such as the Northern Great Plains Resources program. The Service also assists the Bureau of Reclamation in planning recreation facilities associated with reservoirs.

In addition, the Service is mandated by the Disposition of Recreation Demonstration Areas Act of 1942 to assure use compliance for former recreation demonstration areas transferred to the States and requires the Service to carry out biennial inspections of 35 State parks areas and 12 wayside park areas. The Intergovernmental Cooperation Act and OMB circular A–95 direct the Service to work with other Federal agencies and State and local organizations to avoid duplication in development projects.

Further, the Park, Parkway and Recreation Areas Act requires the Service to provide assistance to States and their subdivisions in planning park and recreation areas. While the Bureau of Outdoor Recreation has responsibility for providing technical assistance to other Federal agencies, States and their subdivisions and others in matters pertaining to outdoor recreation, there are certain areas in which the Service as a land managing agency has expertise. These areas include natural resource planning and management, historic preservation, and interpretation. Instead of duplicating this expertise in the Bureau of Outdoor Recreation, the Service through a memorandum of understanding with the Bureau, makes the experience and knowledge available to State and local agencies on a reimbursable basis. In addition to reimbursable planning assistance, technnical information is provided through the park practice publications produced in cooperation

with the National Recreation and Park Association. These publications cover park and recreation planning, development, and management.

The NPS training institute for park and recreation management is authorized by the Intergovernmental Personnel Act and Intergovernmental Cooperation Act and was established to provide training for Federal, State and local park and recreation personnel.

Senator BYRD. Are you reimbursed for your assistance to other agencies?

Mr. EVERHARDT. In most cases, assistance to States and local governments and private organizations can only be provided on reimbursable basis. Some forms of planning assistance to other Federal agencies such as the Bureaus of Reclamation and Mines, as well as participation in river basin studies are also provided on a reimbursable basis.

The NPS Training Institute is reimbursed approximately 50 percent for its operations with the remainder partially contributing to NPS personnel training.

MANDATED COOPERATIVE PROGRAMS

Senator BYRD. What part of your cooperative program is mandated by legislative acts?

Mr. EVERHARDT. Few if any legislative acts direct the National Park Service to perform specific cooperative activities. Exceptions to this statement would be:

1942 Act Authorizing the Disposition of Recreational Demonstration Areas (56 Stat. 326)
1950 Act Authorizing Exchanges of Recreational Demonstration Areas (P.L. 81-640)

However, the authorities contained in additional legislative enactments have given rise to other governmentwide programs which require the National Park Service to engage in cooperative functions in order to be responsive and derive those benefits which were envisioned by these activities. Some of these acts include:

1936 Park, Parkways and Recreation Areas Act (P.L. 74-770)
1965 Water Resources Planning Act (P.L. 89-80)
1968 Intergovernmental Cooperation Act (82 Stat. 1098)
1968 Wild and Scenic Rivers Act (82 Stat. 906)
1968 National Trails System Act (82 Stat. 919)

ALASKA STUDY

Senator BYRD. Is your $1.3 million request for the Alaska task force adequate in view of the deadlines involved in land selections?

Mr. EVERHARDT. No, sir, the current deadlines in land selections and other mandates inherent in the Alaska Native Claims Settlement Act indicate that $2.4 million would be a more realistic figure. Since the submission of the $1.3 million request, we have assumed three major programs that were not anticipated at that time. That is, the Service providing necessary support to the Bureau of Indian Affairs, including field work, as required by section 14(h)(1) of the act; and extensive appraisal of mineral claims within selected areas proposed for addition to the National Park System; and the continuance of the Alaska

planning group in Washington, D.C., as a unit to coordinate the multi-agency interests and efforts as they relate to the implementation of the Alaska Native Claims Settlement Act but mainly those activities relating to the four systems proposals.

INCREASED TRAVEL

Senator BYRD. Why do you need increased travel costs for a reduced program under planning and construction?

Mr. EVERHARDT. Our planning and construction appropriation includes the master planning, advance planning and other study type programs. These efforts are prerequisite to undertaking any park development in that planning problems need be solved to comply with the requirements of the National Environmental Policy Act and for an orderly planning-design-construction process. To meet this objective we propose accelerating these two programs and require a small travel increase to carry them out.

ROADS PROGRAMS

Senator BYRD. Your road construction programs show increases in both obligations and expenditures over 1975. Why were roads increased while other construction items were being cut back?

Mr. QUICK. Mr. Chairman, the obligational program in fiscal 1976 for roads consists of $32.5 million of carryover obligations and $10.5 million new obligations. The level for new obligations is $29 million below the level of new obligations in fiscal 1975. In fiscal 1976 the liquidating cash of $38 million is needed to liquidate a higher level of obligations incurred in 1975 and prior year projects.

Senator BYRD. Do you have anything to add, Mr. Everhardt?

Mr. EVERHARDT. No, sir.

Senator BYRD. In your road account, why is it necessary to carry forward such a large balance of unliquidated obligations each year? In 1976 this amounts to half your total program.

Mr. EVERHARDT. Unliquidated obligations, of course, reflect the procedure whereby payments against construction contracts are made throughout the life of the contract on the basis of the progress of actual construction. The large balance of unliquidated obligations projected for the end of fiscal year 1976 results from the construction award schedule which provides for a number of high-cost roads and parkways contracts to be awarded late in fiscal year 1975 and in fiscal year 1976. Therefore, a major proportion of cash payments against these contracts will occur subsequent to fiscal year 1976.

PLANNING FOR NEW AREA DEVELOPMENT

Senator BYRD. A statement furnished at the staff's request shows there are 12 new park units with development authorizations totaling nearly $52 million that are not being funded in this budget because planning is not complete. Does that mean planning is incomplete on all developments for these areas?

Mr. QUICK. Mr. Chairman, these are the areas that were authorized late in the 93d Congress and the planning is incomplete for these areas. We are now in the master planning stage for these areas and we hope

to accomplish some of the advance planning in fiscal 1976. This planning would provide data to request development funds, perhaps as early as fiscal 1977.

There are other areas in the system where planning is ongoing and as the planning is completed we have 5-year construction programs established for these areas and in many cases we have plans on the shelf for projects that we can proceed as the funding becomes available.

Mr. EVERHARDT. I think with respect to the development backlog, Mr. Chairman, this thing is continually being revised, continually being reanalyzed as the master plans are completed, as development area plans are completed. We then have an opportunity to become a little more refined in our figure of $2.7 million. For these new areas, as Mr. Quick mentioned, we haven't undertaken any planning because of the late date of the authorization in the 93d Congress.

This short-range need that we spoke of in our development backlog is one that I don't see would take a tremendous amount of planning. It is one that gives attention, number one, to the historic structures of the Park Service that our people have made a lot of analysis of. It gives a lot of attention to those existing facilities that need rehabilitation.

I might just give one example there, Mr. Chairman. With respect to roads, I know of roads that have not had a final surface put on them for 12 years and we have been utilizing them by putting on a chip and seal coat periodically to hold it together, to keep the weather, the rain, and so forth from deteriorating it. That is the kind of project that we would be attacking or would give priority attention to in this first 5-year phase of this development backlog.

There are numerous buildings that, look good and have been painted, but I suspect that once they are looked at by an architect we would find they are being held together by paint. Heating systems are also in need of attention.

CONSTRUCTION ESTIMATES

Senator BYRD. Please supply estimates for construction that could be undertaken in the new park units in fiscal year 1976, and indicate your priorities as well.

Mr. EVERHARDT. Yes.

[The information follows:]

Priority Listing of Construction - Type Work in New Park Areas in Fiscal 1976

Most of the Construction work in these areas require extensive planning and cannot be accomplished in Fiscal 1976. There are, however, rehabilitation projects and minor construction items, involving minimal planning, that could be undertaken in 1976. Following is a list of these in priority order:

Park and Description	Priority	Amount and Fund Source (In Thousand Dollars)	
Boston NHP			
Rehabilitate Officers' Club for use as Interim Visitor Center, Navy Yard	1	$ 115,700	Operation of the National Park System
Convert Heating System, Navy Yard	2	172,000	Operation of the National Park System
		287,700 1/	
Clara Barton NHS			
Stabilize House	3	20,000	Planning and Construction
Restore Grounds and Gardens	4	20,000	Planning and Construction
Install Signs	11	5,000	Planning and Construction
		45,000	
John Day Fossil Beds NM			
Rehabilitate Cant Ranch House and Out Buildings	5	75,000	Planning and Construction
Campground and Picnic Site Improvements	15	25,000	Planning and Construction
Construct Trails to Fossil Sites	16	25,000	Planning and Construction
		125,000	
Knife River Indian Village NHS			
Knife River Bank Stabilization	10	328,000	Planning and Construction
		328,000	

1/ These two projects at Boston have been included as "Initial Essential Maintenance (Structural)" in the listing of first-year operating requirements previously identified. This funding should not be duplicated.

Park and Description	Priority	Amount and Fund Source (In Thousand Dollars)	
Sewall-Belmont House NHS			
Rehabilitate House	6	$ 118,200	Planning and Construction
Landscape Grounds	9	14,800	Planning and Construction
Renovate Heating/Air Conditioning System	8	43,000	Planning and Construction
Install Fire Detection System	7	21,000	Planning and Construction
		197,000	
Tuskegee Institute NHS			
Construct 1,500 foot By-Pass Road Around Historic Campus	12	66,000	Planning and Construction
Construct 50-Car Parking Area at "The Oaks"	14	51,000	Road Construction
Adapt Interior of "Grey Columns" for Administrative and Visitor Services use;	13	75,000	Planning and Construction
Construct 40-Car Parking Area		41,000	Road Construction
		233,000	

Summary

Operation of the National Park System	$287,700
Planning and Construction	836,000
Road Construction	92,000
Total	$1,215,700

HISTORIC PRESERVATION, GRANTS-IN-AID

Senator BYRD. Your $20 million request for historic preservation grants-in-aid is $4.4 million under the authorization. Why is this, in view of the estimated $186 million in matching State requests?

Mr. EVERHARDT. In fact, Mr. Chairman, additional information provided by the States and the National Trust since the budget justifications were prepared indicates that their combined matching capability at the beginning of fiscal 1976 will be $203.5 million, and, if the past is a guide, the actual requests may turn out to be higher than the estimate. We are keenly aware of the disparity between need and funding in this program. The budget request as originally sent forward called for full funding, but before the budget was placed in final form the amount was reduced to the level of fiscal 1975 as a part of the overall effort to hold down Federal spending.

Senator BYRD. How much of your 1975 grants program went to Bicentennial projects and where are they located?

Mr. EVERHARDT. Mr. Chairman, we do not distinguish between Bicentennial and non-Bicentennial projects in the grants program; however, the American Revolution Bicentennial Administration has long emphasized the importance of allowing every community in America to celebrate the Bicentennial in its own way, whether or not they happen to be located within the original 13 Colonies. There could hardly be a better way to do this than to preserve some historic property of significance to the community, and we have encouraged the State historic preservation officers to support such activities. Under the law the States have 3 years in which to carry out their grant-assisted projects, and many States are now assigning funds to projects. It is our estimate that 569 projects will be assisted with the fiscal year 1975 money, and we believe that the vast majority of them will play some part in the local community's Bicentennial celebration.

PUBLICATIONS

Senator BYRD. On page 160 you list six hard-cover books published under the historic survey program. How does the revenue from these publications compare to the total cost of producing and printing them?

Mr. EVERHARDT. The revenue from these books closely correlates with production and printing costs. Expenditures for first printings average about $86,400 for 16,500 copies. About 1,500 of these are used by the Service for official purposes and provide no revenue. The remaining 15,000 copies are sold at cost, averaging $6.40 per copy, as a public service by the Superintendent of Documents, Government Printing Office. They yield approximately $96,000 in revenue. The difference between printing costs and sales income is accounted for by storage, personnel, material, and postage charges accrued by the Superintendent of Documents in the distribution of the books.

Senator BYRD. Why did the Park Service get into this publishing business? Does it plan more of these books?

Mr. EVERHARDT. This is mandated by the Historic Sites Act of 1935, where in section 2(j) charges the National Park Service to develop

an educational program and service to make available to the public and scholars facts and information pertaining to historic American buildings and properties of national significance. Reasonable charges for dissemination of such facts can be made. The landmark is also the culmination of all research on national historic landmarks. About 30 additional volumes are planned in the landmark series. We believe that dissemination of information about the historically significant properties we have identified is one of the best ways to support preservation of the properties and to make them of greater value to the public.

Senator BYRD. Under your object classification for historic preservation you show a large decrease in other services. What is involved in that decrease?

Mr. EVERHARDT. Obligations for "other services" in both fiscal 1974 and 1975 reflect carryover obligations from prior years; fiscal 1976 does not. It is a catchingup effect of transactions which will be completed in fiscal 1975. Therefore, fiscal 1976 represents obligations without carryover.

PARK TRANSPORTATION SYSTEMS

Senator BYRD. Your justification states the park transportation systems are most successful, but you apparently are not including funds to expand them to other parks. Why?

Mr. EVERHARDT. The 13 ongoing park transportation systems have proved successful in eliminating traffic congestion and lessening adverse impact on the resources. At present studies are underway in 20 park areas and 9 additional studies are proposed in fiscal 1976. These studies are to reveal the need for transportation systems and related park facilities to support them. Therefore, it is important that such studies continue in advance of implementing transportation systems. Upon completion and approval of studies, if appropriate, funds will be requested for the implemention of addition of transportation systems.

JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

Senator BYRD. What is the status of the authorizing legislation to extend your operating and maintenance responsibilities at the John F. Kennedy Center for the Performing Arts?

Mr. EVERHARDT. On February 13, 1975, draft legislation, which would authorize further appropriations for services necessary to the nonperforming arts functions of the Center, was transmitted to the President of the Senate and the Speaker of the House. On May 5, Senator Baker introduced legislation, as S. 971. The Department presently is formulating views on that bill, as requested by Senator Randolph, chairman of the Senate Committee on Public Works.

Senator BYRD. Now that you have been catching up on the O. & M. backlog at the Kennedy Center, do you foresee any chance of reducing the ongoing annual cost?

Mr. EVERHARDT. No, sir. While the staffing is adequate, increased costs of utilities and replacement of equipment and furnishings as they wear out will greatly increase the total cost.

REVENUE ESTIMATES

Senator BYRD. Your estimated $21.6 million in fiscal 1976 revenues appears to increase at a greater rate than the estimated visitation. Why?

Mr. EVERHARDT. There are two components to this figure of $21.6 million. Estimated general revenues amount to $3.6 million and revenue from this source is generally independent of park visitation. The remaining $18 million is the estimated amount of our revenue from the collection of recreation fees. The principal reason that we expect an increase in this revenue which exceeds the rate of visitation increase is that the fee collection enhancement program established by Public Law 92–347 is now becoming fully effective. While we have not established many new fees under this program, the funds it provides are allowing us to do a more effective job of collecting existing fees. Entrance stations are being operated over longer seasons and during more hours of the day, and the collection of other types of fees is being pursued more closely.

RECREATION FEE ACCOUNT

Senator BYRD. On your $18 million estimates for your recreation fee account—do you still think the Park Service could collect that much revenue?

Mr. EVERHARDT. I would think if we had a chance to review that today, Mr. Chairman, we would probably come down because there are a couple of things that could have some serious effect on that.

No. 1, with respect to visitor travel this season, we are not able to project at this particular time what might happen; another is the provision of the Land and Water Conservation Act of last year whereby a person can go into a park and stay under a $2 entry permit as long as he likes, as long as he does not leave that area. So I think these two things are going to have some effect on that figure.

Senator BYRD. How much would you revise it downward?

Mr. EVERHARDT. Probably we would reduce it about $4 to $5 million.

FEE ENHANCEMENT

Senator BYRD. Aren't you spending more than $5 million on enhancing fee collections?

Mr. EVERHARDT. $5.5 million.

Senator BYRD. Why aren't your revenue estimates growing instead of coming down? You have explained why they are coming down, but in the light of the amount of money you are spending on enhancing the fee collection, why aren't they growing?

Mr. EVERHARDT. I think they have. We collected about $11 million in 1974 and we now estimate about $12 million for 1975. If we estimate a more realistic figure of $13 or $14 million for 1976 there still is a growth in the amount of fees being collected. Those other two factors that I mentioned are of concern to us as to the validity of that $18 million estimate.

Senator BYRD. Is the $5 million that you are spending carrying its weight, do you think?

Mr. EVERHARDT. I think so very much. I think we have enhanced the fee collection program a much greater standard of service to the

visitors in our fee collection activity. We are able to operate our entrance stations for a longer period of time and we are getting a great return for those dollars being spent in that effort.

FEE COLLECTION

Senator BYRD. Do you have any particular fee problem now that Congress has adjusted the recreation fee system? Are there any inequities or collection problems?

Mr. EVERHARDT. In general, the 1974 amendment to the Land and Water Conservation Fund Act remedied most problems which we felt existed in the fee collection system. As I mentioned a moment ago, the only remaining problem of serious concern to us is the requirement in the law that entrance fees be charged on a single-visit basis rather than on a daily basis. This change, contained in the 1973 amendment, has reduced our revenue from entrance fee collection, has created certain management problems, and is unfair to a number of park visitors.

The conversion of daily entrance fees to single-visit fees brought about a large decrease in fee revenue at a number of parks where large numbers of visitors stay more than 1 day. Systemwide, we estimate that the annual revenue loss experienced as a result of this action is approximately $4 million. We have not attempted to recoup this revenue loss by increasing entrance fees at the parks with longer stays because we do not feel that this would be fair to visitors who may stay for only a few hours. We believe that the benefits received by a park visitor during a visit are roughly proportional to the length of the stay and that low daily fees are more equitable than high single-visit fees. In other words he should pay for use at a daily rate basis.

Another problem with this provision of the program is that, at many parks where visitors may stay for periods of several days or longer, it is often desirable or necessary for visitors to go out of the park to obtain necessary services or to visit other nearby attractions. Upon reentry, these visitors must purchase a new entrance permit, although their continuous stay at a campground or other overnight facility within the park has not been interrupted and, in their view, their stay in the park is all a "single visit." In these circumstances, the visitor who leaves the park during the course of his visit must pay considerably higher entrance fees than the visitor who does not leave the park. This has the effect of discouraging those who are staying in overnight facilities within the park from going outside and also discourages the use of outside overnight facilities as a base for a park visit of more than 1 day's duration. This effect runs counter to our planning and management efforts to encourage the development of facilities outside many of the parks in order to relieve the demand for such services inside the parks.

We are now studying this situation to determine whether an equitable solution can be found. If such a solution requires legislative action, we will work with the Bureau of Outdoor Recreation to propose the necessary legislation.

ADDITIONAL QUESTIONS

Senator BYRD. Very well. I have a few questions left which I will submit to you for response for the record. They have been submitted by Senators McGee and Young.

[The questions and answers follow:]

QUESTIONS BY SENATOR GALE W. MCGEE ON THE JOHN D. ROCKEFELLER, JR., MEMORIAL PARKWAY

Q. It is my understanding that a significant erosion problem exists along the course of the Snake River where it flows through the John D. Rockefeller Parkway. What is the National Park Service planning to do about this problem, and has any money been requested for it in this budget?

A. This project is not in the Fiscal 1976 line item program, however, we plan to accomplish it from our lump sum rehabilitation program hopefully in Fiscal 1976.

Q. With respect to the same region, a serious sewage problem seems to exist with the Flagg Ranch. Could you give me an idea as to what the National Park Service intends to do on this matter. Specifically, what would be the required sum of money to complete this project, and over what period of time?

A. There are sewage system problems at both Flagg Ranch and Huckleberry Hot Springs concessions, coupled with water system problems. Since both operations have only recently become the responsibility of the National Park Service, studies are needed to determine the extent of the problems. It is asserted that there is sewage leaching and draining into the Snake River. Current preliminary estimates to complete the work at both concessions amount to $87,000 for advance planning, $112,000 for project planning, and $966,000 for construction. If the total planning funds of $199,000 were provided in July 1975, and no complications arise from the environmental-impact assessment/statement process, all study and planning could be completed by June 1976. Provision of the construction funds in July 1976 would permit contracting during the Summer 1976, with completion of work in Fall 1977. Delays in funding must consider the intrusion of the long winter season into this schedule. If construction funds were not provided until October 1976, construction could not be completed until 1978. Thus the entire project would require from 2½ to 4 years to complete.

EMPHASIS ON BICENTENNIAL

Q. Since so much budgeting emphasis has been placed on the Bicentennial what areas of National Park Services operations have been affected in the past four years?

A. Even though our operating programs have been at minimal levels, this special emphasis on the Bicentennial since 1973 had no appreciable affect. The emphasis was placed on development and readying facilities in the officially designated Bicentennial Areas. Now that these structures are complete or will be early in 1976, the emphasis on the Bicentennial in this budget is for operational needs to manage, protect, interpret and maintain these facilities and for operation and readying of existing facilities throughout the National Park System to prepare for the Bicentennial Celebration.

Q. What Bicentennial activities are being planned for Wyoming? This is especially important since many citizens will not be able to travel to the East in order to participate in the Bicentennial activities there.

A. We are planning Bicentennial activities in several park areas in Wyoming. Devils Tower National Monument will be a staging area for a Bicentennial Wagon Train to travel from Devils Tower to Independence Rock. The park will cosponsor a public barbeque with the Creek County Bicentennial Commission, and environmental programs relating to the Bicentennial will be greatly expanded for school children during 1976. Since Fort Laramie is a focal point for the Goshen County Bicentennial Commission, the fort will be involved with special events and activities on site and in surrounding communities such as various reenactments of events in Fort Laramie's history, melodrama theatrical based on historical records, a concert to include campaign songs, patriotic songs, and military music presented by local groups, and an old-fashioned military July fourth celebration of the 1870's. Grand Teton National Park will sponsor an entertaining and educational traveling exhibit of selected artifacts from the David T. Vernon collection which will visit rural communities and Indian reservations in the northern Rockies and the upper Midwest.

QUESTIONS SUBMITTED BY SENATOR MILTON R. YOUNG

THEODORE ROOSEVELT NATIONAL MEMORIAL PARK

Q. You will recall, last year we provided $300,000 for the construction of buildings and utilities at the Squaw Creek Campground in the north unit of the

Theodore Roosevelt National Memorial Park. What is the current status of this project?

A. The planning, drawings and specifications for this project have been completed for both the construction of buildings, utilities and road and trails.

Q. When do you expect to award a contract for this work and when will it be completed?

A. The award of a contract will depend on the availability of Road Construction funds, which we are requesting in this budget. If this additional funding is provided in Fiscal 1976, the project can be awarded as soon as the appropriation bill is enacted. If an award is made in early summer 1975, the project could be completed by September 1976.

Q. Last year you testified that your total capability in the north unit was $560,000—the balance of the funds to be used for the construction of roads and trails within the campground. Do you have any capability for this portion of this project in fiscal year 1976?

A. Yes, Senator, we have requested funds in this budget for the road construction portion of this project.

Q. We also provided funds for the planning of improvement at the Visitor Center at Medora in the south unit of the park and for an Interpretive Center at the Painted Canyon Overlook. When will you complete the plans for these two projects in the south unit?

A. We expect to complete these plans in September 1975.

Q. You could, could you not, utilize construction funds in fiscal year 1976? If so, what is your capability?

A. Yes sir, our current estimate for completion for the Visitor Center at Medora is $583,000 and $1,042,000 for the Interpretive Center at the Painted Canyon Overlook.

Q. If construction funds were provided, could you award a contract yet this fall?

A. Yes sir, in late fall; however, due to the harsh winters in this region, actual construction could not begin before spring of 1976.

Q. The visitor count is increasing each year, is it not? I understand that the facilities at Medora were filled to capacity all through last summer, despite the energy crisis.

A. Actually, Senator, the visitor count decreased parkwide from 852,829 in 1973 to 701,696 in 1974. The visitor center could decrease from 78,600 in 1973 to 59,400 in 1974.

FORT UNION NATIONAL HISTORICAL SITE

As you will recall, in 1966 Fort Union, located in the confluence of the Yellowstone and Missouri Rivers in northwestern North Dakota, was designated as a National Historic Site. I offer for the record a resolution adopted by the Williston Bicentennial Committee, urging that the National Park Service begin, as soon as possible, the restoration of the Fort Union National Historic Site:

[The resolution follows:]

RESOLUTION

Whereas, there is located at the confluence of the Yellowstone and Missouri Rivers in northwestern North Dakota the historic American Fur Company Trading Post of Fort Union; and

Fort Union was established at said location in 1828, and until 1867 was one of the largest and finest fur trading posts on the North American continent, the most important one west of the Mississippi; and

The United States Congress in 1966 designated Fort Union as a National Historic Site; and

Archeological investigation began in the summer of 1968 and shall continue; and

There is nowhere on the Northern Plains a completely reconstructed fur trading post interpreting and preserving the American way of life of 150 years ago; and

There is nowhere in the Trans-Mississippi West, probably in the entire United States, an historical site with two forts—Fort Union, fur trading post, and Fort Buford, military post—within two miles of one another, both visible from an accessible overlook; and

Fort Union is an integral and important portion of the Lewis and Clark Trail; and

Lewis and Clark party campsites were also located at the junction of the Yellowstone and Missouri Rivers; and

This confluence area was home to no less than seven posts and forts since 1822; and

Much of the United States' most important fur trade and military history was created at this site; and

All sensation of realism is lost without actual and full reconstruction of the Fort Union palisade and buildings; and

It is our patriotic duty to recreate and preserve the history of this area for all posterity: It is

Resolved by the Williston Bicentennial Steering Committee, That the National Park Service immediately effect full and complete restoration of the Fort Union National Historic Site.

Q. This is an extremely interesting site and one which should be fully developed. You have no funds in your budget for the Fort Union project, do you?

A. No, sir, we do not.

Q. What is your capability for this project in fiscal year 1976?

A. A master plan for the site is in preparation and is scheduled for completion during the 1976 fiscal year; therefore, we should have the capability to begin advance planning for this project in fiscal 1977.

SUBCOMMITTEE RECESS

Senator BYRD. Thank you, Mr. Everhardt. Thank you, Secretary Reed. Thank you, gentlemen.

Secretary REED. Thank you, Mr. Chairman. We look forward to working with you. We had a wonderful association with Senator Bible whom we honored, and we are delighted that you have taken over the chairmanship of this very important committee, sir.

Senator BYRD. Well, thank you, Mr. Secretary. I am certainly aware of the fact that I stepped into some very large shoes, and I will do my best, but that is not saying that I will be able to do as well as Senator Bible did. I seriously doubt that.

Thank you very much.

The subcommittee will stand in recess until 10:30 tomorrow morning.

[Whereupon, at 1 p.m., Tuesday, April 1, the subcommittee was recessed, to reconvene at 10:30 a.m., Tuesday, April 2.]

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1976

WEDNESDAY, APRIL 2, 1975

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

The subcommittee met at 10:30 a.m., in room 1114, Everett McKinley Dirksen Office Building, Hon. Robert C. Byrd (chairman) presiding.

Present: Senators Byrd and Hatfield.

DEPARTMENT OF AGRICULTURE

FOREST SERVICE

STATEMENTS OF:
HON. ROBERT W. LONG, ASSISTANT SECRETARY FOR CONSERVATION, RESEARCH AND EDUCATION
J. R. McGUIRE, CHIEF, FOREST SERVICE

ACCOMPANIED BY:
J. W. DEINEMA, DEPUTY CHIEF, ADMINISTRATION
M. B. DICKERMAN, DEPUTY CHIEF, RESEARCH
T. C. NELSON, DEPUTY CHIEF, NATIONAL FOREST SYSTEM
P. L. THORNTON, DEPUTY CHIEF, STATE AND PRIVATE FORESTRY
R. P. McROREY, ASSOCIATE DEPUTY CHIEF, NATIONAL FOREST SYSTEM
R. L. YOUNGS, ASSOCIATE DEPUTY CHIEF, RESEARCH
W. A. CAMPBELL, DIRECTOR, PROGRAM DEVELOPMENT AND BUDGET
WARREN A. BLIGHT, DEPUTY DIRECTOR OF FINANCE, DEPARTMENT OF AGRICULTURE

BUDGET REQUESTS

Senator ROBERT C. BYRD. The subcommittee will resume its hearing.

Today we will hear the fiscal 1976 budget estimates of the Forest Service, which total $478.5 million in new budget authority and $108.2 million in appropriations to liquidate contract authority. The request for new budget authority is a reduction of $31.2 million over appropriations to date for the current year, and the requested liquidation cash is down $12.6 million. The comparison in new budget authority is

deceptive, however, as it relates to ongoing programs. The 1975 funding contained a one-time appropriation of $49 million for acquisition of Klamath Indian lands. Discounting this amount, the new budget authority increases by $17.7 million over appropriations to date.

The justifications have been included in part 2, pages 1167–1391 of the record.

REVISED SUMMARY TABLE

It should be noted clearly for the record that the justifications unfortunately included proposed 1975 rescissions in the program amounts for the current year. These rescissions, amounting to $14.9 million, were not approved by Congress. For clarity of the record, the Forest Service should supply a revised summary table restoring the amounts that had been proposed for rescission. We will include that in the record at this point.

[The information follows:]

Revised Summary of Estimated Appropriations

Item	Available 1974 1/	Estimated available 1975 2/	Budget estimates 1976	Change 1976 over 1975
Appropriated Funds				
Forest protection and utilization:				
Forest land management 3/	$387,966,000	$314,362,000	$338,297,000	+$23,935,000
Forest research	64,785,000	77,612,000	79,211,000	+1,599,000
State and private forestry cooperation	28,181,000	34,784,000	30,222,000	-4,562,000
Total, Forest protection and utilization	480,932,000	426,758,000	447,730,000	+20,972,000
Construction and land acquisition 3/	27,093,000	31,337,000	14,475,000	-16,862,000
Forest roads and trails 3/	97,700,000	124,578,000	108,225,000	-16,353,000
Acquisition of lands for National Forests, Special Acts	94,000	161,000	161,000	- -
Acquisition of lands to complete land exchanges	55,300	39,310	35,410	-3,900
Acquisition of lands, Klamath Indians	- -	49,000,000	- -	-49,000,000
Cooperative range improvements	700,000	700,000	700,000	- -
Assistance to States for tree planting 3/	1,013,000	1,355,000	1,359,000	+4,000
Construction and operation of recreation facilities 3/	3,277,838	1,260,000	3,674,000	+2,414,000
Youth conservation corps 3/	10,000,000	10,392,000	10,400,000	+8,000
Permanent Appropriations				
Expenses, brush disposal 3/	25,199,361	30,000,000	33,000,000	+3,000,000
Roads and trails for States; National Forests Fund	45,468,547	47,003,064	47,975,000	+971,936
Licensee Programs 3/	209,432	265,000	250,000	-15,000
Restoration of forest lands and improvements 3/	68,205	50,000	50,000	- -
Payment to Minnesota (Cook, Lake, and St. Louis Counties) from the National Forests Fund	259,038	259,038	259,038	- -
Payments to Counties, National Grasslands	586,381	586,000	586,000	- -
Payments to school funds, Arizona and New Mexico	124,307	190,862	191,000	+138
Payments to States, National Forests Fund	113,668,668	119,482,282	117,862,000	-1,620,282
Total	806,449,077	843,416,556	786,932,448	-56,484,108
Deduct permanent appropriations shown above	185,583,939	197,836,246	200,173,038	+2,336,792
Total (excluding permanent appropriations)	620,865,138	645,580,310	586,759,410	-58,820,900

1/ Excludes GSA space transfers of $574,000 (Forest land management, $559,000, and Forest research, $15,000). Includes $11.8 million of trust funds for fighting forest fires repaid in fiscal year 1975.

2/ Includes proposed supplemental for increased pay costs. Excludes proposed supplemental for fighting forest fires, $100 million.

3/ In addition, prior year balances are available.

OPENING STATEMENT OF SECRETARY LONG

Senator ROBERT C. BYRD. Today there will be opening statements by Secretary Long and Forest Service Chief McGuire. Mr. Secretary, you may proceed with your statement. First, you may wish to introduce those who are with you and then we will—before hearing Chief McGuire—we will have some questions for you.

Secretary LONG. Thank you. I do have a statement. It is a brief one. Mr. McGuire will introduce the staff that is with him when he presents his statement.

Senator ROBERT C. BYRD. Very well.

Secretary LONG. Mr. Chairman and members of the committee, it is a pleasure for me to have this opportunity to discuss with you the Forest Service programs. We congratulate you, Senator Byrd, on being selected chairman of this subcommittee and look forward to working with you and the members of the committee.

We have a strong interest in maintaining the efficiency of the Forest Service which is one of the major bureaus in the Department of Agriculture. Secretary Butz is taking a personal interest in forestry programs, and there is continuing emphasis on development and improvement of rural America, of which the National Forest System is a very significant part. We recognize the critical importance of the National Forest System, Forest Research and State and Private Forestry programs in developing and renewing natural resources in a manner which is environmentally sound. We are dedicated to doing a quality management job.

Incidentally, Mr. Chairman, the Advisory Committee on State and Private Forestry is meeting here in town. Mr. McGuire, Mr. Thornton, I, and others were talking with them this morning. They will be meeting for the next 2 days. We hope to get their thoughts and suggestions for later implementation.

RENEWABLE RESOURCES PLANNING ACT

Last year the Forest and Rangeland Renewable Resources Planning Act of 1974 was passed. This significant legislation calls for long-range planning by the Forest Service to insure that the United States has an adequate supply of forest resources in the future, while maintaining the quality of the human and natural environment. The first assessment and program are being developed, using existing proposals, programs, and data sources. The "Environmental Program for the Future," which was reviewed with the committee last year, will provide a starting point for developing the program, and such studies as the "Timber Outlook Report" will create a foundation for the assessment. To us, the implementation of this Resources Planning Act is a great challenge and an outstanding opportunity to strengthen understanding of, and support of our renewable resource programs. The public will be involved throughout this process.

RESOURCE EMPLOYMENT

As the occasions arise, the Forest Service is prepared to provide meaningful employment in natural resource work to help check the

rise in unemployment. As you know, Mr. Chairman, we had submitted to the Congress at an earlier time, programs which we feel might be effective in this area.

GROWTH OF FOREST SERVICE RESPONSIBILITIES

Mr. Chairman, I have personally spent a great deal of time both in the office and in the field with Chief McGuire and his staff so that Secretary Butz and I could provide counsel, support, and direction to the very important activities of the Forest Service. I have reviewed such things as manpower and funding provided to the Forest Service to handle not only regular activities but new demands and challenges. In 1975, the Forest Service has about the same number of permanent full-time people and about the same size budget, when it is discounted for inflation, as it had 10 years ago. During that period, the Forest Service has had to meet a number of new needs, including new legislation passed by Congress, in addition to coping with increased regular program demands. With the same number of people and the same budget, the Forest Service is handling (1) a major pollution-abatement program required by law, (2) completion of the Primitive Area reviews required by the 1964 Wilderness Act, plus a number of other special wilderness studies, (3) a substantial load of land use plans and associated environmental statements required by the National Environmental Policy Act, (4) increases in recreation use and a large and more complex timber sale program, (5) a special program to develop practical methods for surface mine reclamation which the Forest Services, along with other agencies of the Government, is developing, I hope, effectively at this point in time. I know you are familiar with this program, (6) an unprecedented increase in oil and gas, mineral and fertilizer exploration and development on National Forest System land, (7) an accelerated research and control of major forest pests, including the Douglas-fir tussock moth, southern pine beetle, and gypsy moth, and (8) an increase in timber stand improvement and reforestation to meet future resource needs. This is just a partial listing of the many new demands that have been placed on the Forest Service.

As I indicated earlier, they are operating at the same levels as they did about 10 years go when you discount inflation.

To meet these new demands, it has been necessary for the Chief and his staff to give strong direction to improve the effectiveness and efficiency of the organization. Without such efforts Forest Service programs would either become increasingly costly or falter badly under the type of constraint that the Federal Government must operate today in order to reduce the load of the Federal budget on the Nation's economy. It is my belief that they have done a superior job in this area. Quite obviously with reduced personnel and increased workload to be able to do this the way they have carried it out, I think is a remarkable achievement and I am proud of their effort. It is my belief that this important resource agency is meeting these new demands with a level of performance which could only be described as outstanding.

This is my brief statement, Mr. Chairman. Chief McGuire and his staff are here and available to discuss with you the issues and concerns in this budget presentation.

ENVIRONMENTAL IMPACT STATEMENTS

Senator ROBERT C. BYRD. The increased costs of environmental studies in paperwork alone have presented a considerable burden to the Forest Service. If the budget is at essentially the same level, from where will these environmental costs come? Will they come out of the basic program?

Secretary LONG. Mr. Chairman, there is no special provision for such costs. The costs are substantial. We do have an estimate of what they amount to in the current fiscal year. They do come out of the program. There is no other place to get it. Would you like to have an estimate of those costs? I believe we have them.

Senator ROBERT C. BYRD. Yes; I would.

Mr. MCGUIRE. They were running, Mr. Chairman, about $27 million annually. We expect them to continue at about that level.

Senator ROBERT C. BYRD. Can you indicate for the record the programs out of which these costs come?

Mr. MCGUIRE. We can provide that, sir.

EFFECT OF ENVIRONMENTAL COSTS ON PROGRAMS

Senator ROBERT C. BYRD. What happens to the programs as a result of loss of funds to those programs and projects in order to make up for the environmental costs?

Mr. MCGUIRE. The program levels, of course, have to be reduced accordingly. If we, for example, have to prepare environmental impact statements on projects such as roads and trails or recreation developments or timber sales, we have to cut down the size of the program.

Senator ROBERT C. BYRD. And you aren't in a position to state at this point what the programs are and indicate the impact on them?

Mr. MCGUIRE. I don't have precise data, Mr. Chairman, but certainly if we did not have to go through the environmental impact analysis procedure we could offer more timber for sale, we could proceed with road building more rapidly, and we could do other things that can't be done now because we have to stop and divert some of our time and money to preparation of impact statements.

Senator ROBERT C. BYRD. That is a rather general statement. Can you give us something that is more detailed and more thorough?

Mr. MCGUIRE. We can, sir.

Secretary LONG. It is roughly, very roughly, 5 percent of the total budget allowances, depending on how you assign the total allowances, as to whether that is the right figure. In some programs the Forest Service has to realine the priorities of the programs and it may vary more in some cases. I am sure we can come up with a fairly well balanced response to that question, and we will do so.

Senator ROBERT C. BYRD. Very well.

[The information follows:]

There has been no special provision for funding costs related to environmental analyses and preparation of environmental impact statements. These costs have been absorbed by the basic programs, based on proposed activity involved, i.e., timber sales administration and management, recreation, forest roads and trails, etc. Outputs from these programs have been reduced to finance the environmental impact costs. We have no precise documentation of the costs by basic program. Tabulated below is our best estimate of the amounts our basic programs have been reduced to meet the provisions of the National Environmental Policy Act.

Timber sales administration and management	$4,636,000
Recreation	3,776,000
Wildlife habitat management	2,049,000
Rangeland management	3,252,000
Minerals management	1,128,000
Soil and water management	3,211,000
Forest fire protection	2,136,000
General forest land management activities	2,297,000
Forest roads and trails	4,515,000
Total	27,000,000

IMPACT OF BUDGET CONSTRAINTS

Senator ROBERT C. BYRD. You touched on this item in your statement, but I would like to see if you can flesh it out further. You noted the Forest Service budget, in terms of permanent positions and real dollars, is at about the same level as 10 years ago. What has this restraint done to regular ongoing resource management programs in a period that has seen many additional responsibilities mandated by Congress?

Secretary LONG. Mr. Chairman, let me comment on one part and then I would like Mr. McGuire to review in more detail.

One thing I have observed is that the impact on personnel has been substantial. It is particularly true in the field. There is no question that there are fewer people to cover more services and more needs than there were 10 years ago. I believe it comes in the people area and the professionalism of the agency. My personal experience has been that they are having difficulty maintaining facilities of which the Forest Service and the Nation should be justly proud. On that issue I am concerned and I have expressed this concern in the past.

Mr. McGuire can further amplify my comments.

Mr. MCGUIRE. Mr. Chairman, we have attempted to make some estimates as to where we would be if we had funding increasing at a constant moderate rate as it had in the 1960's before we began to level off. We are sure that if that had been possible we would now have more acres reforested; we would be selling more timber than we are selling now; we would be able to accommodate greater numbers of recreation visits; our wildlife habitat situation would be in far better shape; and so on. We also feel that our programs for research and for State and private forestry would be much further along than they are today, in such areas as use of pesticides, for example. Undoubtedly, if the funds had been available, we would be in a position now to recommend safer, less persistent pesticides than those we frequently have to use because there are no alternatives.

FOREST AND RANGELAND RENEWABLE RESOURCES PLANNING ACT

Senator ROBERT C. BYRD. Mr. Secretary, you referred to the Forest and Rangeland Renewable Resources Planning Act of 1974 and indicated the Forest Service was attempting to meet its additional responsibilities under that act within the existing program. Do you feel that the comprehensive requirements of the act can be met?

Secretary LONG. Yes, I do. They are actively in the process right now of preparing the first report which must come to you by the end

of the year. As you know, it will be reviewed again in the next 5 years and then every 10 years thereafter. The first report will be primarily an assessment of what we already know and will bring the information into cohesive alinement with established objectives and programs. The future reports, we are hopeful, will have the long as well as near term assessments, and provide an opportunity for not only the Forest Service but the administration and the Congress to look ahead and adjust its supportive programs in relation to the long-term benefits and/or associated side values which may exist.

In summary, I feel the Forest Service can respond, and is responding, to the congressional request, and they will be prepared to submit the report this year.

STATEMENT OF CHIEF McGUIRE

Senator ROBERT C. BYRD. Chief McGuire, you have a rather lengthy statement. It will be included in the record in its entirety. You would like, perhaps, to highlight your statement and make additional comments you care to make and at the same time you might wish to introduce your staff for the record.

Mr. MCGUIRE. Thank you, Mr. Chairman. The Forest Service, knowing of your long personal interest in forestry, is very pleased to see you as chairman of our apppropriations subcommittee.

Senator ROBERT C. BYRD. Thank you.

[The statement follows:]

Mr. Chairman, it is a pleasure for me to have this opportunity to highlight some of our accomplishments and discuss with the Committee our fiscal year 1976 budget requests and our budget requests for the three-month transition period, July 1 - September 30, 1976.

I would like to introduce my staff here with me today. Rex Resler is the Associate Chief. The Deputy Chiefs are Jack Deinema, Deputy Chief for Administration; M. B. Dickerman, Deputy Chief for Research; Tom Nelson, Deputy Chief for National Forest System; Max Peterson, Deputy Chief for Programs and Legislation; and Phil Thornton, Deputy Chief for State and Private Forestry. Also available if needed to answer questions are Ray Housley and Russ McRorey, Associate Deputies for the National Forest System; Einar Roget, Associate Deputy for State and Private Forestry; Bob Youngs, Associate Deputy for Research; and Bill Campbell, Director of Program Development and Budget.

I would like to first highlight a few items which will serve to update the Committee since we last appeared before you.

Resources Planning Act and Environmental Program for the Future

Secretary Long mentioned the passage of the Resources Planning Act and the followup on the Environmental Program for the Future. Last year, after review of the Environmental Program for the Future, the Committee directed that the Forest Service provide the "widest opportunity for public comment on the plans' contents." This was done with the public release in August of a draft of the Environmental Program for the Future. Some 23,000 pages of comments were received. These comments have been carefully analyzed and will be used in a revision of the Environmental Program for the Future which will be incorporated as the Program portion of the report called for by the Resources Planning Act. That Act requires not only the development of a long-range program but an assessment of the future supply of and demand for renewable resources from the 1.5 billion acres of forest and associated rangelands in public and private ownership in this country. As you know, the Resources Planning Act requires that the first report to the Congress be completed by December 31, 1975. We are well along in getting this major task under way and expect to complete the report on schedule. The Congress recognizes as we do that this is a major undertaking and must depend on existing sources of information. Recognizing that the first report would be less than fully adequate using existing information sources, the Congress directed an initial assessment to be completed by the end of 1975 and an additional report in 1979. The Explanatory Notes, pages 11 and 12, contain a briefing on status of our planning as required by the Resources Planning Act.

Insect and Disease Research and Control

When we met with you last spring there was much concern about destruction caused by the tussock moth in the Pacific Northwest and about our control plans. I am pleased to report that that major control project, which included spraying about 435,000 acres with DDT, was completed on schedule with few significant problems. Our followup monitoring indicates the spraying was very effective, and no additional spraying with DDT is contemplated. Additional field testing of alternate chemicals indicates that two chemical insecticides, Sevin-4-oil and Dylox, are promising for registration, and five of fourteen new chemicals screened in the field were effective and ready for larger scale field tests. Areas sprayed with natural virus and bacterium remained free of tussock moths one year after treatment, indicating that these materials are highly promising for registration and operational use.

The major tussock moth outbreaks, the gypsy moth problems in the Eastern United States and Canada, and the southern pine beetle epidemic in the South resulted in a decision to launch a major accelerated research and development effort aimed at finding new weapons and new methods to control the three pests and reduce the damage they cause to an acceptable level. Four USDA agencies--Agricultural Research Service, Animal and Plant Health Inspection Service, Cooperative State Research Service, and the Forest Service--are combining resources in this major effort. Our fiscal year 1976 budget anticipates maintaining this program at the fiscal year 1975 budget level.

In addition to these insects, the mountain pine beetle and the spruce budworm are causing major losses and requiring accelerated control efforts.

Important forest diseases include rusts, root rots, heart rots, and mistletoe.

Surface Mining Regulations

New mining regulations were issued effective last September to regulate surface use of National Forest System lands where mining is done under the 1872 mining laws. The new regulations enable the Forest Service to work with prospectors and miners to develop practical measures for protecting surface values while allowing for utilization of the important mineral resources of public lands. I am happy to report that the new regulations are working well, and we are getting good cooperation from the mining industry.

There are also significant other impacts on forest land, particularly from energy related demands for geothermal energy, oil, coal, and phosphates. Where the Government owns the mineral rights we cooperate with the Department of the Interior agencies in procedures leading to prospecting and developing these important minerals. In many other areas, particularly in the East, the Government does not own the mineral rights underlying National Forest land and private owners are entitled to develop such minerals in accordance with property rights expressed in deeds, and in accordance with appropriate State laws.

A couple of examples will illustrate the type of impact associated with mining activity on the National Forests in the last year.

Large phosphate deposits have been discovered underlying the Osceola National Forest in Florida, Los Padres National Forest in California, and National Forests in Idaho. Recovery of relatively small quantities of very high grade oil is under way on the Allegheny National Forest in Pennsylvania. A major nickel deposit of apparently world-wide significance has been found adjacent to the Boundary Waters Canoe Area and the deposit may well extend into the Boundary Waters Canoe Area itself.

We recognize the dual national objectives of utilizing important mineral resources and of adequately protecting surface resource and environmental values. The accelerated research development and application effort aimed at developing practical methods to rehabilitate land areas disturbed by mining has made reasonable progress and we now have some specific demonstration areas where we can begin applying new techniques. We have found high interest and excellent cooperation with State and local Government entities and the mining industry in this effort.

Primitive Area Studies

In 1974, we completed the last of the Primitive Area Studies as directed by the Wilderness Act of 1964. In addition, the Administration proposal for Wilderness Areas in the East was considered along with other proposals. An amendment to the Wilderness Act was passed late in the last session of Congress providing for 16 Wilderness Areas in the East totaling 206,988 acres and designating an additional 17 areas and 125,000 acres for study.

We continue to consider, through comprehensive land use and special planning efforts, the appropriateness of wilderness status for some of those parcels identified in the Roadless Area Review and Evaluation Project. Two hundred and seventy-four new areas, comprising over 12 million acres, have been designated for study.

Timber Management and Associated Road Construction

In fiscal year 1974, we prepared for sale the full volume of timber that we were financed to sell. This was done in spite of difficulties associated with rising costs after the budget was presented, and a substantial number of administrative appeals and court challenges to our timber harvesting and associated road construction programs.

In addition, the Forestry Incentives Program was successfully implemented in cooperation with the Agricultural Stabilization and Conservation Service and the State foresters.

As a result of a very steep decline in housing starts, short-term demand for lumber and plywood has receded and some mills have had to close down or reduce one or more shifts, while also reducing their rates of timber harvesting. This had led to increased unemployment and a buildup of timber that is under contract but not cut. With the decline in demand has come a sharp decline in prices, which, in turn, has led to a substantial number of sales where our appraisals indicate that a normal profit and risk opportunity is not available to potential purchasers. This is most

common where a substantial amount of road construction is required to operate the sale or where the volume and quality of the timber is low. Many of these sales may not be sold. We can, of course, re-offer them when markets improve, but in many cases, by including the roads in the sale contract, harvesting will be delayed until the necessary roads are built.

Pollution Abatement Program

We have continued a high level pollution abatement program during 1975 in order to complete pollution control projects in an orderly manner. We have had continuing problems with cost estimates caused both by escalation of prices, changing local requirements, and in some cases estimates that were prepared prior to completion of detailed plans and specifications.

Wildlife

Requirements of the Endangered Species Act of 1973 and of the amended Sikes Act (PL 93-452) give renewed emphasis to wildlife habitat requirements on the National Forest System, and, in fact, on all forested lands. Comprehensive planning activities are already under way to implement these.

Public interest in wildlife values, including non-game species, is increasingingly reflected in concerns being expressed by individuals and citizen organizations.

Range Management

Management and development of the Nation's rangelands is attracting more attention. There is a growing recognition that meat supplies and grain production are directly related to the energy problem. It is recognized that range grazing can contribute substantially toward saving feed grains for other uses, and also produce high quality food protein with a minimum use of fossil fuel energy. This takes advantage of the unique ability of livestock to convert the forage resource directly to food. These considerations, along with the continued need to improve environmental quality of the Federally-owned ranges, require that we develop our Forest Service range management programs, along with the associated private ranges, to insure that these ranges produce their fair share of the national grazing needs.

Recreation

Last year, there had been some rather interesting shifts in the type and duration of recreation use of National Forests. For example, the overall recreation use in many locations has increased. We attribute this to longer stays for those locations to which the user must travel extended distances. In addition, those locations closest to towns and communities are experiencing repeated visits from local people.

Despite the current economic and energy situation, our budget anticipates a modest increase in the already high level of recreation use on the National Forests. National Forests provide needed but relatively economical recreation. This is particularly true for those who have families and who have access to National Forest vacations reasonably close to home. We also expect an emphasis in weekend use which requires smaller outlays of dollars for travel or equipment. Increased camping, fishing, and hiking, costing less for travel and accommodations, will characterize recreation use this year.

In order to reasonably serve the expected level of use and protect the resources, we show a slight increase in recreation budget outlay for maintenance and operation of existing facilities. We will necessarily continue to adjust the season of use and make selective site closures to assure the most cost effective service for the visiting public.

Appeals and Court Challenges

During the last year there have been a substantial number of requests for administrative review of decisions made at lower levels and also court challenges to specific decisions. Last fall we issued a streamline appeals and administrative review system. The new system provides for a clear distinction between contractual matters which are appealed to a Board of Contract Appeals and other matters which request an administrative review of a lower level decision which does not involve contractual matters. The administrative review provides for a two-level review system for prompt resolution of administrative decisions without going through a number of administrative levels.

A major suit by NRDC, et al, against Secretary Butz, et al, contended that a specific environmental statement was required under the National Environmental Policy Act to accompany our annual budget requests as they passed through the Executive Branch and on to Congress. That suit was recently dismissed without prejudice based on stipulations agreed to between the parties involved. The stipulations provide that we will include certain environmental analysis and consideration of alternatives in the documents that are provided to Congress as a part of the multi-year assessment and multi-year program required by the Resources Planning Act. The challenge to the Organic Act filed on the Monongahela National Forest is currently before the Appeals Court. These specific cases not only occupy our time and attention but also require a continued high quality of planning in our work so that it meets not only good land management requirements but that it can also stand administrative or court challenges.

Youth Conservation Corps

The Youth Conservation Corps continues to be one of our most popular human resources programs. The approximately 10,000 young men and women who participated in the program last summer accomplished valuable conservation work, and at the same time, increased their own appreciation of resource and social needs and problems. The Departments of the Interior and Agriculture share the program equally.

I hope this brief review of last year is useful to you in providing a background for our 1976 requests.

Unemployment

At the time our budget was prepared last fall, the extent of unemployment that we now are experiencing was not readily apparent. Our budget then is a constrained one based on continuing inflationary problems and does not include many capital investment items or program increases.

Since the budget was prepared, Congress directed that the Secretary of Commerce review ongoing agency programs to determine which should be accelerated to provide substantial employment in areas of high current unemployment. Our inventory, along with that of other agencies, is currently being reviewed by the Secretary of Commerce.

Land Use Planning and Environmental Statements

We will continue our land use planning efforts in fiscal year 1976 with emphasis on initiating planning for those units containing roadless areas. The National Environmental Policy Act requires environmental analysis in addition to environmental statements on a large number of specific Forest Service projects or activities. Study and comment on environmental statements of other agencies also creates a significant time demand.

Public Lands in Alaska

During fiscal year 1976, we anticipate continuing involvement with the Department of the Interior, Congress, and the Alaska Natives in carrying out provisions of the Alaska Native Claims Settlement Act. In cooperation with the Department of the Interior, we will be helping Congress in its consideration of proposals and alternatives for addition of 80 million acres of Federal lands to the four national conservation systems, including new National Forests. Some 18.8 million acres of new National Forests have been proposed by the Secretary of the Interior.

We will also be involved in working out the selection of lands from National Forests by the Alaska Natives as authorized under the Act.

We expect an acceleration of land selections by the State of Alaska under the Alaska Statehood Act. Their selections had been delayed, pending selection of land by the Alaska Natives. They are authorized to select up to 400,000 acres from National Forest land and have only begun the process.

Timber

When our budget was completed last fall, we expected that the cyclic pattern of timber demands related to housing would be a factor for consideration. In the past, the usual pattern was for timber sales to fall off during the period of low demand.

Generally, the volume of timber prepared and sold would also drop and this has indirectly affected budgeted funds, in turn resulting in a sale preparation lag behind upturns in demand. To prevent that from happening again, our fiscal year 197\ budget envisions that we will continue at a preparation level of 11.8 billion feet in fiscal year 1976, but that we will hold an estimated two billion feet in reserve to offer for sale when and if needed to meet an upturn in demand.

Lan 'ownership Adjustments and Surveys

The Weeks Law and Special Receipts Acts programs are at approximately the same levels as last year. Priority will again be given to the acquisition of lands which will produce quality timber, provide watershed protection, and prevent erosion.

Increases in the exchange and land line location programs will be used in support of timber sale activities. Well-planned exchanges can implement access needs, reduce the need for survey and marking of land lines, and increase resource utilization and development on both National Forest and private lands.

The laser range pole is now in the field doing production work. Current revisions now being done will result in reduced instrument costs and increased output. We have found that boundary line surveys can be completed two to three times faster using the laser range pole.

Fire Management

Fuel management will continue to be the major new thrust in forest fire protection, in which planned work will reduce resource losses and firefighting costs. Rapidly increasing costs, especially in the use of aircraft and other modern equipment make sound preventative programs imperative.

Minerals Management

You will note that our budget contains a $3.2 million increase for minerals management. Most of this increase is to implement the new mining regulations and to handle other impacts on the National Forests from other growing minerals activities and related programs.

Forest Research

The research budget for fiscal year 1976 is approximately the same as for fiscal year 1975. However, in order to strengthen emphasis on some programs, we plan to discontinue some of the other important research programs added by Congress in 1975.

We have included a small increase in forest resource evaluation to handle the initial assessment and develop the new techniques required for the multi-resource surveys called for in the Resources Planning Act of 1974.

A small increase is also included to accelerate research on project STRETCH. That research is aimed at developing an array of improved processing systems, automated quality assessment, and improved engineering use of wood.

Other Budgetary Considerations

We have made some changes in format and content in our 1976 budget presentation. The purpose statement has been modernized and improved to recognize today's complexities. We have also attempted to describe long-term goals as well as discuss the plans and outputs for 1976. For the first time, we have included permanent full-time position (employment) requirements for each project in the explanatory material. Heretofore, we had provided this information separately in tabular form. This year certain material contained in the separate Budget Appendix volume is also included with our budget presentation. As a result of discussions with your Committee staff we have included this material in the Explanatory Notes which should assist the Committee and staff review.

The budget we have presented actually contains two parts. The major part is the regular 1976 budget for the fiscal year ending June 30, 1976. The other part is the budget for the transition period July 1 - September 30, 1976, representing the continuation of the 1976 programs during the period prior to the beginning of the new fiscal year (October 1, 1976) as provided in the Congressional Budget and

Impoundment Control Act of 1974 (PL 93-344). The transition period budget is described after the 1976 budget justification for each appropriation.

We have shown separately in our request the increase or decrease needed to pay the General Services Administration the cost of space rental in accordance with PL 92-313. The total rental for 1976 is estimated to be about $15 million.

Pay Act increases are also included and shown separately in our request. This is the annualization of the Pay Act which was passed in 1974.

Additional funds are included in the budget for timber sale preparation activity, which includes landscape design, wildlife considerations and other supporting activities to assure environmentally sound timber sales. Included in Forest Land Management is an increase of $2.2 million to conduct environmental analyses, coordinate review, and prepare draft and final impact statements on roadless areas. These statements are necessary to comply with the National Environmental Policy Act and stipulations agreed to in the Sierra Club vs. Butz, et al, suit. There are small program increases for operation and maintenance of pollution abatement facilities and health and safety purposes. There are increases of $1.5 million to improve administration of special uses, and $2.3 million to bring cooperative law enforcement program up to the 1975 program level.

Program increases totaling a little over $2 million are included to protect and enhance threatened and endangered species, including funds to implement research, under the Endangered Species Act of 1973.

In presenting our 1976 budget, we assumed approval of the pending 1975 rescissions for reforestation and timber stand improvement ($10 million) and cooperation in forest fire control ($4.9 million). On this basis there is a $5 million increase for reforestation and stand improvement and no change in the cooperative fire control program for 1976 compared with the 1975 appropriation less pending rescissions.

Our forest roads and trails program will continue at about the same level as 1975. Road construction emphasis will remain on support activities for roads to be constructed through timber credit allowances in timber sales. We will continue to accomplish the road survey work on 75 percent of the timber volume to be sold and maintain control of the design and location. We have continued the effort of trail construction to meet the intent of the National Trails Act.

While there is a decrease in the Construction and Land Acquisition appropriation, the program will allow for completion of the pollution abatement improvements required under Executive Order 11507. Financing is included to continue monitoring, surveillance, evaluation, and design of both point and non-point sources of discharge under Executive Order 11752, and to correct some deficiencies at administrative and recreation sites.

Cash receipts from the sale and use of National Forest System resources were over $470 million in fiscal year 1974, another record high--a small increase from 1973. For fiscal year 1975, receipts are estimated to be about $480 million, and for 1976 about $514 million. Grazing fees are being continued at the same rate as in 1974. An estimated additional $2.4 million (total $3.6 million) will be available in fiscal year 1976 for outdoor recreation under the Land and Water Conservation Fund Act of 1965, as amended, resulting from user fees.

In 1975 the Congress gave the Forest Service and the Bureau of Land Management advance authorization for emergency fire rehabilitation work. A joint study is being conducted which will identify the problems and opportunities, the expected results, and the benefits and costs of rehabilitation efforts. We are proposing that this language be eliminated pending the completion of the study.

Thank you for the opportunity to make these comments. We will be glad to answer any questions you might have.

INTRODUCTION OF ASSOCIATES

Mr. McGUIRE. On Mr. Long's right is Dick Dickerman, who is the Deputy Chief for Research. Next to him is Phil Thornton, the Deputy for State and Private Forestry. On my left is Tom Nelson, the Deputy for National Forest Systems, and to his left is Jack Deinema, who is Deputy for Administration.

Also in the room are some other Forest Service people who are available if needed to answer questions: Bob Youngs in Research, Russ McRorey, National Forest Systems, and Bill Campbell, our Budget Officer.

Also present is Warren A. Blight, Deputy Budget Officer for the Department of Agriculture.

Senator ROBERT C. BYRD. Have you mentioned all those whose names appear in your statement?

Mr. McGUIRE. No, there are four in my statement who cannot be here this morning. Mr. Resler, Mr. Peterson, Mr. Roget, and Mr. Housley.

Senator ROBERT C. BYRD. All right. I appreciate the presence of all those whom you have named. How would you like to proceed with your statement?

GENERAL REMARKS

Mr. McGUIRE. There are just a few points, Mr. Chairman, I might mention. I should add to your opening remarks that we are also presenting, in addition to the proposed budget for fiscal year 1976, a request for a budget for the 3-month transition period ending September 30, 1976.

In my statement I attempt to highlight a few of the items which may be of interest to the committee. You have already mentioned the Resources Planning Act. Insect and disease research and control have been of great interest during the year and I discuss that.

We have some new regulations dealing with surface mining in the national forests and they are discussed. We include a brief report on the completion of studies of primitive areas as directed by Congress and the status of other studies of wilderness.

We also have a brief report on timber management and road construction. In this area of timber I should point out that there is an important new program authorized by Congress, the forestry incentive program, which is not in this budget request. It appears in a different request and will come up before the Subcommittee on Agriculture.

I also discussed pollution abatement programs, status of wildlife, range management, and recreation. I have a brief review of appeals and court challenges, and a brief report on the Youth Conservation Corps.

At the time our budget was prepared last fall, the extent of unemployment that we are now experiencing was not readily apparent and this budget, of course, does not include items dealing with that particular problem. Since the budget was prepared, we have made estimates for the Department. They have been submitted to the Secretary of Commerce as to which of our programs might contribute toward unemployment relief.

In addition to the problems with environmental impact statements and their financing that you referred to, we also find ourselves greatly involved in land use planning and those plans contain the kinds of decisions that require environmental impact statements. During the year we have been looking at the public lands in Alaska, including proposals for four new national forests in that State. We also have considerable responsibility with regard to the other lands. Many of the presently Federal lands will be passing into private ownership or State ownership. We have been trying to divert our efforts in research and in State and private forestry to the problems we see coming in Alaska.

My statement deals with our plans for timber, landownership adjustments and surveys, fire management, minerals management, and forestry research.

I think that that is sufficient in the way of a summary, Mr. Chairman.

Senator ROBERT C. BYRD. All right, thank you.

AGENCY-DEPARTMENT-OMB REQUESTS

Would you supply for the record a tabulation by activity of what amounts the Service originally requested for fiscal year 1976, the amount approved by the Department and the allowances by the OMB?

Mr. MCGUIRE. We will do that, sir.

Senator ROBERT C. BYRD. If there were any restraints imposed on the amounts of your original request, please supply the amounts that the Service would have requested without those restraints.

Mr. MCGUIRE. We will be glad to do that, Mr. Chairman.

[The information follows:]

FOREST SERVICE
FISCAL YEAR 1976
(in thousands)

Appropriation Items	Agency Estimates 1/ 2/			Department Estimates	President's Budget
	Zero Level	Plus 5%	Plus 15%		
FOREST PROTECTION AND UTILIZATION:					
FOREST LAND MANAGEMENT:					
National Forest Protection and Management:					
Timber resource management:					
(a) Sales administration and management	$90,216	$91,806	$104,610	$89,355	$98,124
(b) Reforestation and stand improvement	37,409	38,055	41,143	46,686	46,686
Recreation use	53,563	54,646	57,049	52,025	51,130
Wildlife and fish habitat management	13,335	14,333	14,652	11,169	11,360
Rangeland management	18,454	18,454	19,160	19,421	17,732
Soil and water management	16,387	17,255	17,753	17,021	17,119
Minerals management	8,571	8,882	8,966	7,701	6,943
Forest fire protection	37,854	37,854	45,048	37,683	37,904
General land management activities	32,481	33,890	34,888	30,205	31,509
Special uses--non-recreation	(5,512)	(5,512)	(6,151)	(5,503)	(5,508)
Land classification, adjustments, and surveys	(12,687)	(13,037)	(13,396)	(11,157)	(11,894)
Maintenance of improvements for fire and general purposes (including communications)	(11,262)	(12,321)	(12,321)	(10,214)	(10,776)
Bicentennial and Centennial of Federal Forests	(20)	(20)	(20)	(--)	(--)
Payments to Employees' Compensation Fund	(3,000)	(3,000)	(3,000)	(3,331)	(3,331)
Total, National Forest Protection and Management	308,270	315,175	343,269	311,266	318,507
Fighting Forest Fires	4,275	4,275	4,275	4,275	4,275
Forest Insect and Disease Control	11,613	11,613	14,463	11,579	11,579
Cooperative Law Enforcement	3,648	3,648	4,248	3,807	3,936
TOTAL, FOREST LAND MANAGEMENT	327,806	334,711	366,255	330,927	338,297
FOREST RESEARCH:					
Forest and Range Management Research:					
Trees and timber management research	14,251	15,601	15,601	14,451	14,451
Forest watershed management research	7,304	7,304	7,504	7,282	7,282
Wildlife, range, and fish habitat research	6,960	8,110	9,390	5,585	5,196
Forest recreation research	1,271	2,396	2,596	1,771	1,267
Surface environment and mining	1,828	4,028	4,028	3,638	2,298
Total, Forest and Range Management Research	31,614	37,439	39,119	32,727	30,494

Appropriation Items	Agency Estimates 1/ 2/			Department Estimates	President's Budget
	Zero Level	Plus 5%	Plus 15%		
FOREST PROTECTION AND UTILIZATION--continued					
FOREST RESEARCH--continued					
Forest Protection Research:					
Fire and atmospheric sciences research	8,320	8,320	8,920	8,299	8,299
Forest insects and disease research	23,773	23,773	26,173	23,743	18,145
Total, Forest Protection Research	32,093	32,093	35,093	32,042	26,444
Forest Products and Engineering Research:					
Forest products utilization research	10,380	11,610	12,290	11,147	11,147
Forest engineering research	1,646	1,646	1,846	1,643	1,643
Total, Forest Products and Engineering Research	12,026	13,256	14,136	12,790	12,790
Forest Resource Economics Research:					
Forest resources evaluation	6,809	6,809	6,809	5,559	5,559
Forest economics and marketing research	3,935	4,635	4,635	3,924	3,924
Total, Forest Resource Economics Research	10,744	11,444	11,444	9,483	9,483
TOTAL, FOREST RESEARCH	86,477	94,232	99,792	87,042	79,211
STATE AND PRIVATE FORESTRY COOPERATION:					
Cooperation in forest fire control	20,267	20,267	22,387	20,257	20,257
Cooperation in forest tree planting	1,337	1,337	1,337	337	337
Cooperation in forest management and processing	5,611	8,211	8,611	6,005	5,605
General forestry assistance	5,036	5,246	5,686	4,223	4,023
TOTAL, STATE AND PRIVATE FORESTRY COOPERATION	32,251	35,061	38,021	30,822	30,222
TOTAL, FOREST PROTECTION AND UTILIZATION	446,534	464,004	504,068	448,791	447,730
COOPERATIVE RANGE IMPROVEMENTS	700	700	700	700	700
CONSTRUCTION AND LAND ACQUISITION:					
Development of recreation-public use areas:					
Budget authority	1,277	3,679	3,679	556	556
Program level	(1,277)	(3,679)	(3,679)	(556)	(4,046)
Water resource development construction:					
Budget authority	1,073	3,731	3,731	639	639
Program level	(1,073)	(3,731)	(3,731)	(639)	(639)
Construction for fire, administration, and other purposes:					
Budget authority	6,603	6,603	12,203	2,038	2,465
Program level	(6,603)	(6,603)	(12,203)	(2,038)	(2,465)

Appropriation Items	Agency Estimates 1/ 2/			Department Estimates	President's Budget
	Zero Level	Plus 5%	Plus 15%		
CONSTRUCTION AND LAND ACQUISITION--continued					
Research construction:					
Budget authority	- -	600	600	- -	- -
Program level	- -	(600)	(600)	- -	(3,375)
Pollution abatement:					
Budget authority	9,538	9,538	10,238	9,290	9,290
Program level	(9,538)	(9,538)	(10,238)	(9,290)	(9,290)
Land acquisition, Weeks Act:					
Budget authority	1,530	1,530	1,530	1,525	1,525
Program level	(1,530)	(1,530)	(1,530)	(1,525)	(1,525)
TOTAL, CONSTRUCTION AND LAND ACQUISITION:					
Budget authority	20,021	25,681	31,981	14,048	14,475
Program level	(20,021)	(25,681)	(31,981)	(14,048)	(21,340)
FOREST ROADS AND TRAILS:					
Cash--Federal-Aid Highway Act	(95,500)	(98,000)	(102,000)	(99,000)	(108,225)
10% Fund	(48,800)	(48,800)	(48,800)	(48,900)	(47,975)
Budget authority--Federal-Aid Highway Act	- -	- -	- -	- -	- -
10% Fund	48,800	48,800	48,800	48,900	47,975
Program level	(144,134)	(154,750)	(174,373)	(146,634)	(158,538)
ACQUISITION OF LANDS FOR NATIONAL FORESTS, SPECIAL ACTS	593	593	593	161	161
ACQUISITION OF LANDS TO COMPLETE LAND EXCHANGES	75	75	75	35	35
ASSISTANCE TO STATES FOR TREE PLANTING	1,361	1,606	1,606	1,359	1,359
CONSTRUCTION AND OPERATION OF RECREATION FACILITIES	1,365	1,365	1,365	1,464	3,674
YOUTH CONSERVATION CORPS	10,400	10,400	10,400	10,400	10,400
EXPENSES, BRUSH DISPOSAL:					
Budget authority	33,000	33,000	33,000	33,000	33,000
Program level	(32,028)	(32,028)	(32,028)	(32,028)	(32,028)
LICENSEE PROGRAMS:					
Budget authority	250	250	250	250	250
Program level	(328)	(328)	(328)	(328)	(328)
RESTORATION OF FOREST LANDS AND IMPROVEMENTS	50	50	50	50	50
PAYMENT TO MINNESOTA	259	259	259	259	259
PAYMENTS TO COUNTIES, NATIONAL GRASSLANDS	588	588	588	586	586
PAYMENTS TO SCHOOL FUNDS, ARIZONA AND NEW MEXICO	125	125	125	191	191
PAYMENTS TO STATES, NATIONAL FORESTS FUND	122,100	122,100	122,100	122,400	117,862

Appropriation Items	Agency Estimates 1/ 2/			Department Estimates	President's Budget
	Zero Level	Plus 5%	Plus 15%		
COOPERATIVE WORK, FOREST SERVICE (trust fund):					
Budget authority	80,900	80,900	80,900	72,900	72,900
Program level	(88,637)	(88,637)	(88,637)	(88,637)	(88,637)
TOTALS:					
Budget authority	767,121	790,496	836,860	755,494	751,607
Program level	(869,298)	(903,289)	(969,276)	(868,071)	(883,878)

1/ Related to 1975 outlays in President's Budget for fiscal year 1975.

2/ Does not include following mandatory workload increases (in thousands):

SEAM	$9,800
Recreation use (operation and maintenance for pollution abatement systems)	1,000
Intensified programs for Alaska:	
National Forest System--	
Sales administration and management	1,200
Recreation use	1,300
Wildlife and fish habitat management	475
Soil and water management	175
General land management activities	500
Recreation construction	350
Construction for fire, administration, and other purposes	1,000
Pollution abatement	500
Forest roads and trails:	
Road program	2,300
Trail program	200
	8,000
Forest Research Programs--	
Trees and timber management research	700
Forest watershed management research	600
Wildlife, range, and fish habitat research	1,400
Research construction	3,000
	5,700
State and Private Forestry Programs--	
Insect and disease control	196
Cooperation in forest fire control	150
General forestry assistance	1,041
	1,387

NO-CONSTRAINT BUDGET PROPOSAL

With no constraints we would have proposed a program which represents the high supply level of the Environmental Program for the Future, as follows:

Constant dollars as of 2/4/74 -- in millions -- excluding increased pay and GSA space costs

Appropriation	Amount
FOREST PROTECTION AND UTILIZATION:	
Forest land management:	
Sales administration and management	$101.0
Reforestation and stand improvement	53.1
Recreation use	76.5
Wildlife and fish habitat management	15.0
Rangeland management	22.3
Soil and water management	23.2
Minerals management	9.6
Forest fire protection	72.5
General land management activities	49.3
Special uses--non-recreation	(7.8)
Land classification, adjustments, and surveys	(20.4)
Maintenance of improvements for fire and general purposes (including communications)	(18.1)
Payments to Employees' Compensation Fund	(3.0)
Total, Forest protection and management	422.5
Fighting forest fires	4.3
Forest insect and disease control	16.7
Cooperative law enforcement	4.4
Total, Forest land management	447.9
Forest research:	
Forest and range management research:	
Trees and timber management research	20.2
Forest watershed management research	10.4
Wildlife, range and fish habitat research	6.9
Forest recreation research	3.5
Surface environment and mining	12.0
Total, Forest and range management research	53.0
Forest protection research:	
Fire and atmospheric sciences research	9.9
Forest insects and disease research	15.8
Total, Forest protection research	25.7
Forest products and engineering research:	
Forest products utilization research	14.1
Forest engineering research	3.9
Total, Forest products and engineering research	18.0

Appropriation	Amount
FOREST PROTECTION AND UTILIZATION-continued	
Forest research-continued	
Forest resource economics research:	
Forest resources evaluation	6.6
Forest economics and marketing research	6.7
Total, Forest resource economics research	13.3
Total, Forest research	110.0
State and private forestry cooperation:	
Cooperation in forest fire control	31.5
Cooperation in forest tree planting	.5
Cooperation in forest management and processing	10.5
General forestry assistance	5.5
Total, State and private forestry cooperation	48.0
TOTAL, FOREST PROTECTION AND UTILIZATION	605.9
CONSTRUCTION AND LAND ACQUISITION:	
Development of recreation-public use areas	26.2
Water resource development construction	13.6
Construction for fire, administration and other purposes	27.1
Pollution abatement (included in other construction items)	- -
Land acquisition, Weeks Act	2.7
TOTAL, CONSTRUCTION AND LAND ACQUISITION (excludes research construction)	69.6
FOREST ROADS AND TRAILS: (includes 10% Fund)	
Forest road program (program level)	236.9
Construction (program level)	(187.5)
Maintenance (program level)	(49.4)
Forest trail program (program level)	13.1
Construction (program level)	(5.0)
Maintenance (program level)	(8.1)
TOTAL, FOREST ROADS AND TRAILS	250.0
COOPERATIVE RANGE IMPROVEMENTS	.7
ACQUISITION OF LANDS, SPECIAL ACTS	.3
ASSISTANCE TO STATES FOR TREE PLANTING	3.1
YOUTH CONSERVATION CORPS	40.0
EXPENSES, BRUSH DISPOSAL (program level)	22.4
COOPERATIVE WORK, FOREST SERVICE (trust fund)	60.5

TIMBER RECEIPTS

Senator ROBERT C. BYRD. Your actual 1974 timber receipts are considerably higher than your estimates of last year. What caused this substantial increase?

Mr. NELSON. Senator Byrd, we had rather high bids on timber during that fiscal year which accounted for the increase in receipts from the timber resources.

Mr. MCGUIRE. If I might add to that, Mr. Chairman, the receipts come to the Treasury at the time the timber is cut. There is also a lag between the time the timber is sold and the time it is cut. The timber that had been sold when prices were relatively high began to be harvested during the current year and the money then came into the Treasury later on.

Senator ROBERT C. BYRD. Mr. Nelson, would you state again what caused the substantial increase?

Mr. NELSON. I think that the answer would be, as Mr. McGuire stated, that as our——

Senator ROBERT C. BYRD. What was your answer?

Mr. NELSON. My answer was that it was a higher bid price and this, I believe, corresponds with what Mr. McGuire said. This timber is sold under contract on a bid basis and the prices that were bid were higher and, therefore, we had increased receipts.

DECLINE IN LUMBER PRICES AND DEMANDS

Senator ROBERT C. BYRD. Your statement mentions a sharp decline in lumber prices and demands, and yet you estimate increased timber sale receipts and increased sales management for 1976. Would you explain that?

Mr. MCGUIRE. This is an estimate, Mr. Chairman. We do anticipate a turnaround in housing particularly, and in response to an increase in housing starts, we expect more timber to be harvested. This is speculative, it is true, but nevertheless we do think there is such a tremendous demand for housing in this country. With the help that Congress has now provided, we would expect more timber to be harvested to build more houses during the fiscal year.

FINANCING ROAD CONSTRUCTION

Senator ROBERT C. BYRD. Your statement mentions that the inclusion of road construction in timber sale contracts discourages many sales and delays harvesting. Why do you continue to finance so much of your road construction from timber sales?

Mr. MCGUIRE. The reason is that we have been trying to hold down the level of our budget request and it is efficient to have the timber purchasers build the roads in many areas where we are selling the timber. We have postponed the obvious need for roads for purposes other than timber in many areas, because of the need to hold down Federal expenditures.

Senator ROBERT C. BYRD. What impact does the performance of road construction by your timber purchasers have on the outlays?

Mr. MCGUIRE. Well, to give you an example, the timber purchasers in 1976 under this budget proposal will be expected to construct about

9,000 miles of road. The construction with appropriated funds will be about 140 miles. Obviously, if the roads were to be built with appropriated funds rather than through timber purchaser credits, the appropriation level would have to be far greater than it appears in our request.

Senator ROBERT C. BYRD. Although it reduces outlays to have timber purchasers perform road construction, isn't it actually costlier in the long run because of the need to supplement their construction?

Mr. NELSON. It is normally more costly in the long run if roads are built initially by timber purchasers. This is because a purchaser is required to build only the standard of road necessary to operate a specific sale. Since long-term management of all the National Forest resources in an area often requires a higher standard road, reconstruction may be required later. The resulting overall costs to the Government will be significantly greater.

Senator ROBERT C. BYRD. Does the inclusion of road construction and timber sales contracts discourage many sales and delay harvesting?

Mr. MCGUIRE. Yes, that is a real problem right now, Mr. Chairman. In many areas timber values have declined because of the state of the economy and the sales that were prepared in the past requiring road construction by the purchaser now have declined in value to the point where there isn't sufficient value there to cover the cost of the road. These are what we call deficit sales. In many parts of the West we were not getting any bidders when we attempted to auction the timber. The other problem that you may be referring to is that the smaller operators may not be in good enough financial condition to take on the road building job, and in some places, the smaller bidders may be discouraged from bidding by the road building requirements.

BUDGET AMENDMENT

Senator ROBERT C. BYRD. As you have indicated in your statement this budget was put together under inflation restraints last fall. That is shifting now and there is growing pressure to fund programs that generate jobs under an antirecession policy. Do you anticipate any effort to amend your budget requests and provide antirecession funding?

Mr. MCGUIRE. No, sir, we do not; not on the part of the administration.

Senator ROBERT C. BYRD. What do you mean by that?

Mr. MCGUIRE. The Congress has been, of course, looking at the same items from the viewpoint of unemployment relief and we have been answering questions. We know there is an effort here in Congress to look at this problem. We have no intentions in the Forest Service or the Department to submit amendments for this purpose at this time.

ADDITIONAL FUNDING FOR DEFERRED PROGRAMS

Senator ROBERT C. BYRD. It would be helpful to the committee to have your estimates of additional funding for deferred programs that would provide greater employment, much like those we considered in the emergency employment appropriations bill. Would you supply those for the record?

Mr. MCGUIRE. We will be glad to supply those, Mr. Chairman.

[The information follows:]

Additional funding for the following activities would provide employment opportunities much like those considered in the fiscal year 1975 emergency employment supplemental.

Activity	Amount (in thousands)
Forest Protection and Utilization:	
Forest Land Management:	
Sales Administration and Management:	
Timber inventory and plans	$1,869
Reforestation and Stand Improvement	5,000
Recreation Use	10,516
Wildlife and Fish Habitat Management	4,103
Rangeland Management	8,272
Soil and Water Management	136
Minerals Management	5,939
Forest Fire Protection	10,000
General Land Management Activities:	
Land classification, adjustment, and surveys	5,143
Maintenance of improvements for fire and general purposes	3,045
Total, Forest Protection and Management	54,023
Forest Insect and Disease Control	8,000
Total, Forest Land Management	62,023
Forest Research:	
Trees and Timber Management Research	3,087
Forest Watershed Management Research	1,300
Wildlife, Range, and Fish Habitat Research	2,661
Forest Recreation Research	1,125
Forest Insects and Disease Research	4,473
Forest Products Utilization Research	2,763
Forest Resources Evaluation	3,700
Surface Environment and Mining	3,530
Total, Forest Research	22,639
State and Private Forestry Cooperation:	
Cooperation in Forest Fire Control	4,900
Cooperation in Forest Tree Planting	1,000
Cooperation in Forest Management and Processing	2,600
General Forestry Assistance	2,710
Total, State and Private Forestry Cooperation	11,210
Total, Forest Protection and Utilization	95,872
Construction and Land Acquisition:	
Forest Land Management Construction:	
Development of recreation-public use areas (includes Water resource development construction)	16,087
Construction for fire, administrative, and other purposes	14,108

Activity	Amount
Construction and Land Acquisition--continued	
Research Construction	10,000
Total, Construction and Land Acquisition	40,195
Forest Roads and Trails	62,000
Assistance to States for Tree Planting	245
Acquisition of Lands, Special Acts	432
Youth Conservation Corps	33,000
Total, Forest Service	231,744

PERSONNEL CEILINGS

Senator ROBERT C. BYRD. What is the level of the Federal employment ceiling now imposed on the Forest Service administratively?

Mr. MCGUIRE. May I ask Mr. Deinema to answer that?

Mr. DEINEMA. Our permanent full-time employee personnel ceiling for fiscal year 1976 is 20,000 and for fiscal year 1975 it is 19,600.

Senator ROBERT C. BYRD. Are you up to the ceiling?

Mr. DEINEMA. That is the personnel ceiling, sir.

Senator ROBERT C. BYRD. Are you up to it, are there any vacancies?

Mr. DEINEMA. We are very close to it, maybe 200 or 300 below. We vary periodically.

Senator ROBERT C. BYRD. You said you were up to it. Now, you say you are 200 or 300 below it. Can you give me something more precise?

Mr. DEINEMA. Not right now in specific items. We are close to the ceiling most of the time, but we are never exactly on that personnel ceiling.

Senator ROBERT C. BYRD. You might indicate for the record how many vacancies you have.

Mr. DEINEMA. Yes, sir.

[The information follows:]

As of March 31, 1975, we had 286 vacancies. Our permanent full-time ceiling for fiscal year 1975 is 19,600.

IMPACT OF PERSONNEL CEILINGS

Senator ROBERT C. BYRD. What happens to the appropriations provided for positions that you are not allowed to fill?

Mr. MCGUIRE. We have several alternatives in that case, Mr. Chairman. We can do more contracting or we can employ people for less than a full-time period. The Forest Service ordinarily has about 20,000 man-years of less-than-full-time employment.

Senator ROBERT C. BYRD. Why don't you provide for the committee a more complete picture of what I am asking for here.

Mr. MCGUIRE. We would be very glad to do this, Mr. Chairman. It is causing us quite a bit of concern in the Forest Service because many of our employees are almost full time, but because of the ceiling we are not able to give them the benefits of full-time employment. As a result, they are the first to be dismissed if a reduction in force is required. They don't get all the same benefits as a permanent employee would get, but the principal disadvantage is that, in our staffing, we are not really being as competitive as we ought to be. The very best people, of course, will not take a less-than-full-time job. Some will, of course, if they like that kind of employment. I am not saying that we are always getting the worst, but certainly we are not getting the competition for jobs that we would have if we had the ceilings.

Senator ROBERT C. BYRD. It has a decided impact on your hiring policies?

Mr. MCGUIRE. A very decided impact.

SIERRA CLUB SUIT

Senator ROBERT C. BYRD. Your statement mentions the inclusion of $2.2 million for environmental work, partly because of commitments agreed to in stipulations to the Sierra Club suit. Would you explain that?

Mr. MCGUIRE. The stipulation referred to came about because of a complaint that we were submitting budget requests without accompanying those requests with environmental impact statements. We agreed with the plaintiff that we would incorporate all of the factors listed in the National Environmental Policy Act in the assessment and program which we will be submitting at the end of calendar year 1975. Some of these funds will be required to make sure that all of the environmental considerations are put into that report, according to the stipulations.

OTHER ENVIRONMENTAL DEMANDS

In addition to that, we require environmental impact statements for a variety of other reasons. For example, in another court case we agreed that we would not go into any roadless area until we had considered the alternative uses of that area, including wilderness, under the environmental impact statement procedure.

We have 55 million acres in tracts of 5,000 acres or larger, that are roadless, so whenever we wish to enter into those areas with roads or timber sales or recreation developments, we must go through a land use planning procedure and file an environmental impact statement. This, in turn, incurs some additional costs and it is related to the question you asked earlier about our total costs for preparing environmental impact statements.

Senator ROBERT C. BYRD. Is that $2.2 million a program increase, or are you taking it out of other areas of your budget?

Mr. MCGUIRE. We are taking it out of other areas, Mr. Chairman. It comes in a variety of places—the timber sales administration and management item, recreation, wildlife and fish habitat, and so on. There is some in each one of those to provide for this activity.

Senator ROBERT C. BYRD. Will you indicate for the record precise areas and the amounts?

Mr. MCGUIRE. We will do that.

[The information follows:]

The $2.2 million increase proposed in the fiscal year 1976 budget for environmental impact statements is distributed as follows:

Activity:	*Amount*
Timber sales administration and management (inventory and plans)	$550,000
Recreation use	550,000
Wildlife and fish habitat management	330,000
Rangeland management	330,000
Soil and water management	220,000
Minerals management	220,000

DDT SPRAYING

Senator ROBERT C. BYRD. Your statement mentions that last year's DDT spraying was effective against the tussock moth. Did your followup monitoring turn up any serious environmental effects?

Mr. McGuire. The spraying was very effective against the tussock moth. We are still continuing our monitoring. Thus far, we have found no unexpected environmental impacts. There were impacts on wildlife, on range livestock grazing, and so on, but these were anticipated and we believe they were tolerable. However, we will continue this monitoring to make sure that we have not overlooked something adverse.

INSECT AND DISEASE RESEARCH

Senator Robert C. Byrd. You also mentioned an accelerated research effort on insect and disease control which is being maintained at about the same level in the 1976 budget. Do you consider that an effective level?

Mr. McGuire. Mr. Chairman, we believe that is about as effective as we can make it with the constraints that we are operating under. However, we do have plans on the shelf, should funding become available, to speed up that activity. It deals with a variety of important forest insect problems throughout the United States. It brings in the efforts not only of the Forest Service people but also those in other Department of Agriculture agencies. It can bring all of the research people possible to bear on the problems, such as the southern pine beetle, the tussock moth, and the gypsy moth.

RANGE MANAGEMENT

Senator Robert C. Byrd. The importance of range management is also stressed in your statement. There has been increasing concern over the adequacy of this program within the Bureau of Land Management as well as your agency. What are you doing to improve your range management?

Mr. McGuire. We are concerned also about this problem. Mr. Chairman. It is a problem not only on the public lands but on the private rangelands of the United States as well. We will lay out the problem in more detail when we submit the assessment and program under the Resources Planning Act. In the meantime, however, we have prepared plans for the time when funding becomes available to increase the productivity of the national forest ranges. The opportunity is there to increase the capacity of these ranges from about 11 million to 16 million animal unit months of livestock forage by the year 2000.

EMERGENCY FIRE REHABILITATION

Senator Robert C. Byrd. Last year in an effort to provide more effective fire rehabilitation, the committee successfully recommended language providing advance authorization for emergency rehabilitation. Now you ask that this language be deleted pending a study. Would you explain this position?

Mr. McGuire. This provision in last year's Appropriation Act put the fire rehabilitation program in the same category as fire suppression. In effect, it allowed us to go ahead borrowing from other funds, rehabilitate the fire damaged area and then ask for funding later. We have been looking at the extent of this problem, along with the Department of the Interior, and the administration feels that it would be

better not to have this authority until we have had a chance to examine all the pros and cons. One of the principal concerns here, of course, is that this in a way opens the door to a different kind of financing than we have with our other programs.

Senator ROBERT C. BYRD. To what?

Mr. MCGUIRE. To a different kind of financing, to backdoor financing.

Senator ROBERT C. BYRD. To what extent have you used the advance authorization in the current year?

Mr. NELSON. We have not used this authority during the current year.

Senator ROBERT C. BYRD. Why have you not used the authority?

Mr. NELSON. We have not used it because it has not been necessary to do so. We have not had the fire conditions where it was necessary to use this particular type of financing.

Senator ROBERT C. BYRD. When would we get the results of your study of this matter?

Mr. NELSON. We should have the results of that within a very short period of time. We are essentially completing it within this current month. I would expect that going through channels it may take a little while, but it is proceeding along very well, Senator.

FOREST LAND MANAGEMENT

Senator ROBERT C. BYRD. Very well. Would you highlight the major changes in forest land management? You are requesting $338.2 million, which is an increase of nearly $24 million over your comparable 1975 program. Would you highlight the major changes?

Mr. MCGUIRE. I will be glad to do that, Mr. Chairman. Much of the change is due to increased pay costs and payments for rent. In sales administration and management, we are asking for sufficient funds to prepare 11,858 million board feet of timber and we are also asking for some additional money here for environmental impact statements that we talked about earlier.

In reforestation and stand improvement, this budget was prepared on the assumption that the administration's rescission requests would be approved and the increase in the program, based on that assumption, would provide for reforestation and stand improvement on an additional 45,000 acres.

In recreation use, there are requests for $760,000 for maintenance of sanitary landfills, about $782,000 for operation of new pollution abatement facilities, and then some additional requests for environmental impact statements and in support of timber sale activities.

In wildlife and fish habitat management, the principal request is for funds to comply with the Endangered Species Act passed by Congress last year.

In range management and soil and water management there are no substantial program changes.

In minerals management we are asking for $2.6 million to carry out enforcement of the new mining regulations.

There is no substantial change in forest fire protection.

We are asking for some additional funds in general land management activities for marking land lines in order to proceed with timber sales.

We need about $300,000 to comply with the new health and safety legislation. That is about the size of it.

There is an increase in the cooperative law enforcement item.

REFORESTATION AND TIMBER STAND IMPROVEMENT

Senator ROBERT C. BYRD. Your request for reforestation and timber stand improvement is actually down from the appropriated level for 1975. Knowing of the strong GAO recommendation to increase this program and the high congressional priority assigned to it, why do you continue to restrain it?

Mr. MCGUIRE. We are well aware of the congressional interest in this program. We are disturbed at the present pace as reflected in the budget request. It will take a very long time to do away with the 3.3 million acres in the backlog.

Senator ROBERT C. BYRD. Would you repeat that figure again?

Mr. MCGUIRE. 3.3 million acres of national forest land should be reforested. We have not been able to find a way of increasing the dollars within the overall restraints placed on the budget request. We have not been able to get it up higher in the overall system of priorities.

EMPLOYMENT

Senator ROBERT C. BYRD. Why does your 1976 reforestation program, which is actually lower than 1975 funding, require 40 additional positions?

Mr. NELSON. When our fiscal year 1976 budget was prepared the administration had a request before Congress for rescission of $10 million of the fiscal year 1975 appropriation for reforestation and timber stand improvement. Because of this rescission action the number of positions shown for fiscal year 1975 was based on a $41,262,000 authorized expenditure level. In contrast, the fiscal year 1976 budget request is for $46,686,000, an increase of $5,424,000 over the fiscal year 1975 level we were using for planning purposes. The 40 additional positions are tied to this increase. Of course, subsequently the rescission request was disapproved and the fiscal year 1975 funds were released for expenditure.

MULTIPLOY

Senator ROBERT C. BYRD. What is the multiploy technique mentioned in your justifications?

Mr. NELSON. Multiploy is a computer language system used to simulate and evaluate investments in forestry. Multiploy was designed as a tool for two common types of problems that frequently recur in ongoing forest planning and management, and the underlying research in forest economics. First, in long-range planning of management of a forest, managers must recognize the effects of timber conditions, economic situations, and management decisions on financial returns in order to formulate general policy. Second, in short-range scheduling of specific projects, priorities should be set by analysis of likely economic returns on a project-by-project basis.

KNUTSON-VANDENBERG REFORESTATION

Senator ROBERT C. BYRD. Does reforestation under the Knutson-Vandenberg Act keep pace with harvesting?

Mr. NELSON. Generally the funds collected under provisions of the Knutson-Vandenberg Act are sufficient to accomplish the necessary reforestation work. There are occasional frustrations due to the complex scheduling involved. Seedlings in the nursery may be ready, but the timber harvesting may not be accomplished as scheduled. Weather conditions may block access to a planting site and the season may advance too fast to reschedule planting later in the year. Because of these situations the exact acreage harvested is seldom exactly matched by acres reforested.

NURSERY CAPACITY

Senator ROBERT C. BYRD. Is your nursery capacity sufficient to keep up with a reforestation program increase? What are your needs, exactly, in this respect?

Mr. NELSON. The $2,200,000 appropriated for fiscal year 1975 and the program funding for fiscal year 1976 of $715,000 will enable us to expand production to the current normal capacity of nearly 145 million seedlings, provided seed is available. We are in the process of making a study of present Forest Service nursery production relative to expected planting stock requirements to complete existing national forest reforestation needs and to supply the future annual requirements for planting stock under intensive management. The study should be completed about the end of June of this year and will provide the information to determine the total funding needed to produce the planting stock for fiscal year 1977 and beyond. We will provide the information when the study results are available.

10-YEAR REFORESTATION GOAL

Senator ROBERT C. BYRD. Senator Hatfield, do you have any comments or questions on this point, this area?

Senator HATFIELD. Mr. Chairman, I do have on reforestation, but I would very happy to wait until you have completed your questions, whatever you prefer.

Senator ROBERT C. BYRD. If you have any on reforestation, why don't you ask them at this point, please?

Senator HATFIELD. I would like to go into a little bit of the background of the reforestation. I believe that in fiscal 1975 we had $51.2 million listed as the amount of reforestation but that $15 million of that was added by the Congress; was it not?

Mr. MCGUIRE. That is correct, Senator.

Senator HATFIELD. At that time I believe you told this committee that it would take approximately a 10-year period to reforest at that level.

Mr. MCGUIRE. That is approximately right.

Senator HATFIELD. What do you now predict as far as dropping this down to $46.6 million level? What is the span of years that you anticipate would be required to reforest the 3.3 million acres?

Mr. MCGUIRE. We think that at this level which would provide approximately 200,000 acres per year, it would take about 17 years to reforest 3.3 million acres.

Senator HATFIELD. How many?

Mr. McGuire. Seventeen, sir.

Senator Hatfield. So you are increasing the period of time from 10 to 17 years, is that correct, from last year's prediction of 10 years? We have dropped back now to a prediction of 17 years.

Mr. McGuire. That is what this budget request would do, Senator.

Senator Hatfield. What did you ask for in your reforestation budget before OMB had a review?

Mr. McGuire. Our requests were limited to last year's level.

Senator Hatfield. $51 million.

Mr. McGuire. No; assuming that the rescissions proposed by the administration——

Senator Hatfield. Mr. McGuire, you didn't assume that in any kind of realistic thinking, did you?

Mr. McGuire. That was our instruction, Senator.

Senator Hatfield. Your instruction? I am glad you clarified that.

Mr. McGuire. Assuming that the rescission would be approved, we were limited as to what we could ask for. We have, as you know, prepared long-range programs. We are working on another one now that would speed up this process when funds become available.

Senator Hatfield. When you say you made a request for the same level of funding and the assumption of a $10 million rescission, on that basis, what was your projection for the span of years required to reforest 3.3 million acres—17 years, 10 years, or what?

Mr. McGuire. The reforestation was finally decided on the $46 million level. You understand this includes not only reforestation but timber stand improvement. The reforestation component of this line item is about $29 million in the 1976 budget. It was about $24 million in the 1975 budget.

Senator Hatfield. $24 million of the $51 million?

Mr. McGuire. That's correct, sir.

Senator Hatfield. In other words, you asked for less timber stand improvement in that overall budget for reforestation?

Mr. McGuire. That's correct. Our request was for a higher level, which was the $51 million level, but this exceeded the instruction to hold the line, assuming that the rescission would pass.

Senator Hatfield. Would you put on your forestry hat now and not your budgetary hat and give us an estimate of what would be a realistic figure for reforestation, what would be required for a 10-year period to maintain the level we started with last year?

Mr. McGuire. To get back to the 10-year period, we should be up around $35 million a year in the reforestation part of the package.

Senator Hatfield. What additional for timber improvement?

Mr. McGuire. In addition to that we should probably be up to about $21 million for timber stand improvement, allowing a somewhat longer period.

Senator Hatfield. A total of $56 million rather than $46 million would keep you on the schedule that this committee gave you last year, is that correct?

Mr. McGuire. The schedule you gave us last year would have come pretty close to that. We would have had about $25 million and $21 million in the two categories.

TIMBER REVENUE

Senator HATFIELD. What did you contribute to the General Treasury last year from timber sales?

Mr. MCGUIRE. About $460 million, sir.

Senator HATFIELD. Mr. Chairman, I don't know of many agencies' operations that make this kind of contribution back to the General Treasury from operation. I cannot understand the logic or the lack of logic behind any budgetary approach to this problem of reforestation, which is, I believe, a national scandal. We have permitted lands to remain denuded over the years when we have produced revenues for the General Treasury. We have failed to reinvest at least a significant portion of those funds to maintain a reforestation program that conceivably could be accomplished within a relatively short period. I think this committee last year, Mr. Chairman, was very reasonable in setting a 10-year goal to reforest 3.3 million acres.

And I am not being critical of the Forest Service as such. Sometimes you are not as aggressive as you might be on some of these programs, but I certainly do criticize the accountants with their eyeshades and elastic bands around their sleeves sitting on high stools in some dark attic trying to figure out budgets that relate to a natural resource when probably the most they have ever seen is a flowering cherry on the Tidal Basin. That is neither here nor there.

AVAILABILITY OF PLANTING STOCK

Mr. McGuire, as you know, very definitely related to the level of funding is your ability to utilize those funds through being able to obtain the planting stock or the nursery stock. You recall one year we discussed this matter with you—it was about the question of raising the level of funding and reforestation—and then you came back and said you did not have the availability of planting stock to meet the level of funding proposed.

What are you doing to gear up to meet that requirement in this reforestation problem? If this committee should increase the level of funding, would you have available the seedlings and the other planting stock necessary to utilize this money?

Mr. MCGUIRE. We expect to have adequate supplies of planting stock to meet the level that you approved last year. That was a $15 million increase over the preceding year.

Senator HATFIELD. In other words, you are going to anticipate a surplus at the $46 million level.

Mr. MCGUIRE. No; in 1974 we were at the $33 million level and in 1975 you raised it by $15 million of which $10 million has been held in abeyance pending a decision on the rescission. We are now prepared to go with reforestation and timber stand improvement at the $51 million level.

In looking ahead to the problem, knowing of the interest of the Congress in stepping up this program, we have been engaged in acquiring some additional nursery facilities and seeking faster ways of producing planting stock such as the use of containerized seedlings grown in greenhouses which might shorten the nursery time. We have expanded our plants, and are in a position to proceed at the $51 million level.

I should point out, however, that there are two items here. One is reforestation and the other is timber stand improvement. During the first part of the expanding program relatively more work would be put into timber stand improvement. It will still take some time.

Senator HATFIELD. To be more precise, would it not be at the $35 million level rather than the $50 million level in which you referred to the seedlings and nursery stock, because the rest of the timber stand improvement does not relate directly to the nursery stock?

Mr. MCGUIRE. That is correct, sir.

Senator HATFIELD. You are telling me now that with the 2 to 3 year leadtime, which you must have to prepare for the seedlings, that you can at this time utilize a $35 million level of funding for reforestation?

Mr. MCGUIRE. In 1976, I think we probably could do that. In 1975 we had planned to run at a $24 million level for reforestation out of the $51 million, since we did not count on that $10 million in rescission. Now that the decision has been made to spend that $10 million, we will have some time in 1975 to proceed with our expansion.

Senator HATFIELD. Mr. McGuire, if you are proceeding with your expansion you still need a 2- or 3-year leadtime, don't you?

Mr. MCGUIRE. The reforestation expenditures start when you put the trees in the nursery, and in the preparation of the sites.

Senator HATFIELD. This is all in your own federally owned nurseries?

Mr. MCGUIRE. Not entirely, sir. We are able to acquire some seedlings from other nurseries, such as State.

Senator HATFIELD. Do you not have to go to contract on some of those?

Mr. MCGUIRE. Yes, we do.

Senator HATFIELD. That contract is a commitment that is not fulfilled for 2 to 3 years.

Mr. MCGUIRE. This is part of our problem with the whole procedure, because without some assurance that the level is going to continue from year to year, it is very difficult to interest contractors in providing stock under the conditions of uncertainty that we have to live with.

TIME SCHEDULE AND NURSERY STOCK

Senator HATFIELD. Would you now then just restate for me, please to underscore it for the record here, if the Congress should see fit to increase your budget request here from the $47 million level and extrapolating the reforestation part of that back to the level of last year, No. 1, would it be returned to the 10-year period of required reforestation, and No. 2, do you have the seedlings and nursery stock necessary to utilize that level of funding?

Mr. MCGUIRE. No. 1, Senator, I think we would return to the 10-year schedule. This was our original plan and assuming that costs wouldn't get out of hand, I believe we can get back on meeting that 10-year goal.

No. 2, the nursery stock is not entirely available in the first year. We would have to spend these dollars in the first year to get seed into the ground, to expand nurseries and so on, but we have made a start on that because in 1975 we will be operating at least part way toward that goal because of the funding that you gave us last year.

Senator HATFIELD. Mr. McGuire, you have an inventory of the market possibilities, of going out into the marketplace and acquiring the existing stock; is that not a possibility?

Mr. MCGUIRE. That is certainly a possibility, and that is one of the things I am counting on doing. I am also counting on shortening the time of the nursery through the use of containerized seedlings grown in greenhouses, for example. Looking at all those different kinds of possibilities, I am saying yes, if we go back to the level you provided earlier, we will make the 10-year goal.

Senator HATFIELD. Yes, that you can make the 10-year goal with a higher level of funding, and yes, through the market and other sources you can get the seedlings and nursery stock to plant?

Mr. MCGUIRE. That is what I am saying.

Senator HATFIELD. Thank you.

FUNDING NEEDED

Senator ROBERT C. BYRD. Thank you, Senator Hatfield, and precisely again, what is the additional funding needed?

Mr. MCGUIRE. The level provided by the Congress in 1975 was $51,262,000. The level of the budget request is $4,576,000 less than that. So the difference up to the level that Senator Hatfield has been discussing is $4,576,000.

Senator HATFIELD. Would the chairman yield?

Senator ROBERT C. BYRD. Yes.

Senator HATFIELD. Let's go back and take it back to the individual level of funding, using the figure of the reforestation component out of the total reforestation budget. In other words, distinguishing between the timber stand improvement fund figure and the actual reforestation fund level.

Mr. MCGUIRE. All right. The level in the present budget request is $28,712,000.

Senator HATFIELD. For——

Mr. MCGUIRE. For reforestation, sir.

Senator HATFIELD. That is the $28 million out of $46 million?

Mr. MCGUIRE. Out of $46 million, sir.

Senator HATFIELD. What was the figure last year extrapolating the figure out of the $51.2 million?

Mr. MCGUIRE. I would say the level last year with the rescission denied would be around $25 million. I don't have it precisely.

Senator HATFIELD. Could you furnish that for the record? Let's leave the rescission out of it entirely. That is not a realistic thing. That is past, and I don't think you ever honestly thought that would occur, so let's start with the $51.2 million figure last year. What was the figure for reforestation in that total reforestation budget for planting trees as separated from the timber stand improvement?

Mr. MCGUIRE. That is my problem, Senator. We never provided a figure for reforestation because we assumed, by direction, that we would not have the money in time to use it. So we never——

Senator HATFIELD. You mean you were told at the time the Congress acted there would be a rescission of $10 million?

Mr. MCGUIRE. No, we were told there would be a rescission requested. We would not have access to that money and, therefore, we

should not plan on using it. We were worried that the issue would drag out until it was too late to spend the money in the fiscal year. You have a real timing problem with tree planting. You have to do so much preparatory work. You have to get the trees in the ground when the soil and rainfall conditions are right. We felt that this thing could drag on through the year and, even if you approved it, it would come too late for us to effectively utilize it.

Senator ROBERT C. BYRD. May I ask you, Chief McGuire, can you supply the committee the figure which would be necessary to—the additional funding necessary to get this program, the reforestation program, back on the 10-year track?

Mr. MCGUIRE. We will be glad to do that, Mr. Chairman.

Secretary LONG. Mr. Chairman, I would like to point out that approximately $25 million was provided in 1975—that is approximate because we have to break out the information, but it is in that range—and the budget provided approximately $29 million for 1976. We recognize the importance of this aspect of the Forest Service's program. We did not cut back reforestation. We increased it.

Senator HATFIELD. Yes, but at the cost of the timber stand improvement portion. Your total reforestation budget request is down nearly $5 million.

NURSERY OPERATION AND DEVELOPMENT

Mr. MCGUIRE. If I might add, Mr. Chairman, on page 37 of the explanatory notes there is quite a bit of detail. For example, to supplement what I said about nursery operation and development, this year we expect to spend about $2.5 million just on getting our nurseries to where they can produce the additional trees needed to meet the goal indicated by the Congress.

Senator HATFIELD. Which won't produce until 3 years down the road, though?

Mr. MCGUIRE. True, but we are looking at a long period. I don't think it is so important to do it in 1 year as it is to get the whole job done in 10. We have to make a start somewhere.

Senator HATFIELD. May I ask one last question?

Senator ROBERT C. BYRD. Yes.

SEASONAL PROJECTS

Senator HATFIELD. Is there a seasonal character involved here or seasonal time frame within which you have to move to utilize these funds for the planting and development of the seedlings and the nursery stock?

Mr. MCGUIRE. There certainly is, but it varies. We plant the lower elevations where spring planting is indicated earlier in the spring and on through the early summer we can plant trees at higher elevations. We can also do some fall planting.

Senator HATFIELD. Development of nursery stock, too?

Mr. MCGUIRE. The seeds have to be put in the nursery beds at certain times of the year.

Senator HATFIELD. Not to impugn or to impart evil to anyone, but it is conceivable under a hypothetical circumstance that if the Congress should increase the level of funding for reforestation, including the development of nursery stock, OMB would totally frustrate that by withholding the funds at a time when they would be seasonally unusable.

Mr. MCGUIRE. That is conceivable, but——

Senator HATFIELD. Thank you.

Senator ROBERT C. BYRD. What was the "but"? You said that is conceivable, but what?

Mr. MCGUIRE. But we don't anticipate that, sir.

Senator ROBERT C. BYRD. Why don't you anticipate that?

Mr. MCGUIRE. We have no reason to believe that now that a decision has been made that the funds will be released. It would be obviously counter to the direction Congress has given to the administration.

Secretary LONG. Mr. Chairman, I would like to say this: I am not aware in my experience in working with the administration that they play a seasonal game. I really have never been aware that they have a seasonal aspect in mind. It is conceivable they could be, but I don't believe they have.

Senator HATFIELD. Is that because they have a lack of knowledge?

Secretary LONG. It could be, sir.

Senator ROBERT C. BYRD. All right, the Chief will supply the additional funding figures.

Mr. MCGUIRE. I will do that, sir.

Senator ROBERT C. BYRD. To get the program back on the 10-year track.

[The information follows:]

DISTRIBUTION OF REFORESTATION AND TIMBER STAND IMPROVEMENT FUNDS

	1975 Budget Request	1975 Revised Budget Request	1976
	(in thousands)		
Reforestation	$23,548	$24,745	$28,712
Timber stand improvement	12,911	21,270	14,688
Genetic tree improvement	2,348	2,348	2,571
Nursery operation and development	2,455	2,899	715
Proposed rescission (R75-10)	10,000	- -	- -
Total	51,262	51,262	46,686

FUNDING NEEDED TO COMPLETE REFORESTATION OF THE CURRENT NEEDS AND ANNUAL ADDITIONS IN THE PERIOD FISCAL YEAR 1975 THROUGH 1984

The Forest Service could use $34,528,000 for reforestation in fiscal year 1976, an increase of $5,816,000 over the budget request. This would fund a total program of 200,000 acres, and recognize the inflation-generated higher costs for labor and equipment use over the entire acreage. This program level would reduce the reforestation current needs area by 144,000 acres, and reforest an average annual addition of 56,000 acres deforested through natural causes, such as fire, wind, water, insects, or disease.

The following is a program to reduce the reforestation current needs to an annual maintenance level in fiscal year 1984. Because of the uncertainty of rates of inflation, fiscal year 1976 constant dollars are used.

	Current needs		Average Annual addition		Total program	
Fiscal Year	Thousand Acres	Thousand $	Thousand Acres	Thousand $	Thousand Acres	Thousand $
1975	121	$16,919	56	$ 7,826	177	$ 24,745
1976	144	24,860	56	9,668	200	34,528
1977	204	35,219	56	9,668	260	44,887
1978	256	44,196	56	9,668	312	53,864
1979	274	47,303	56	9,668	330	56,971
1980	274	47,303	56	9,668	330	56,971
1981	274	47,303	56	9,668	330	56,971
1982	274	47,303	56	9,668	330	56,971
1983	274	47,303	56	9,668	330	56,971
1984	274	47,303	56	9,668	330	56,971
Total	2,369	$405,012	560	$94,838	2,929	$499,850

The balance of the 3,323,000 acres as reported in need of reforestation -- 954,000 acres would be financed by deposits from timber purchasers under Knutson-Vandenberg (KV) authority.

SALES ADMINISTRATION

Senator ROBERT C. BYRD. You want a large increase—$11.5 million, and 193 additional positions—for sales administration, although you would reduce your harvest administration amount. Have you had any change in policy on this program since this budget was developed last fall as a result of timber market conditions since then?

Mr. NELSON. No, sir, we haven't. We are still experiencing a demand for most of the timber we are preparing for sale. There are some limited areas where prospective purchasers are not buying, but these are generally the high cost areas. Our intent is to continue to fully prepare timber for sale. If, due to the national economic recession, a decreased demand for national forest timber develops during fiscal year 1976, the timber prepared for sale but not in demand would be added to reserve volumes. Under this assumption, our objective would be to have 2 billion board feet of fully prepared timber in reserve and available for sale by the end of fiscal year 1976. To meet the expected near-future demand for national forest timber, both the timber sale preparation program and the concurrent construction of the necessary transportation system should be expanded at a steady rate, approaching the potential sustained yield capacity through a planned, funded, and fully staffed program.

Senator ROBERT C. BYRD. Do you still consider an 11.8 billion board foot goal to be realistic?

Mr. NELSON. Yes, sir. A lower program of sale preparation would unduly restrict the availability of national forest timber and lead to higher stumpage prices, and consequently, higher prices for lumber and plywood. Although it is possible to set a higher program goal, it would be difficult to meet because advance preparation of timber and construction of roads has been constrained in recent years by limitations on manpower and funding; particularly for advance road construction.

Senator ROBERT C. BYRD. What is your actual harvest estimate for fiscal year 1976?

Mr. NELSON. We are estimating that 11 billion board feet of national forest timber will be harvested in fiscal year 1976.

RECREATION

Senator ROBERT C. BYRD. You request a $3 million increase and 34 additional positions for recreation management. First, how much is visitation increasing in the national forests? Provide figures for 1973, 1974, and estimates for 1975 and 1976.

Mr. NELSON. The recreation use figures for 1973 and 1974 are 188 and 193 million visitor-days, respectively. We project 203 and 209.5 million visitor-days of use for 1975 and 1976, respectively.

Senator ROBERT C. BYRD. Included in the recreation increase is $343,000 in additional funding for landscaping and design for logged areas. What is the total amount this increase would make available for that purpose?

Mr. NELSON. The increase of $343,000 will make a total of $1,538,000 available for landscape and design efforts in support of the timber sales program.

LANDSCAPING AND DESIGN PROGRAM

Senator ROBERT C. BYRD. What is involved in the landscaping and design program?

Mr. NELSON. The landscape management program is an effort to apply the principles of design to resource management. This process provides the land manager and the public the opportunity to visualize, in advance, the visual impacts of alternative actions, such as different kinds of timber harvest, various locations for a powerline, different slope clearing treatments for a ski area, and so on. Once a course of action is chosen, the program provides guidelines for designing the activity to visually complement the land, insofar as possible, so as to achieve beauty as well as utility.

Landscape architects and other Forest Service specialists are preparing a series of landscape management handbooks on design, a visual zoning system, designed timber harvesting, road design, and utility installation. These are being used to train and assist Forest Service employees in carrying out the program. The handbooks are also being furnished to cooperators, universities, and others with landscape management responsibilities.

The program also provides the visual resource input to the national forest land use planning process, to be evaluated along with that of soils, hydrology, cultural history, and silviculture.

OFF-ROAD VEHICLE ENFORCEMENT COSTS

Senator ROBERT C. BYRD. What are your off-road vehicle enforcement costs for the current year and your estimate for 1976?

Mr. NELSON. Current year off-road vehicle enforcement costs will be about $1 million. These costs for fiscal year 1976 are also projected at about $1 million. Forest supervisors are moving steadily toward completion of their forest plans to govern the use of off-road vehicles, as required by Executive Order 11644. Although only a few forest plans have been completed, most are underway with a required completion date of December 31, 1976. Because all of the forest plans will have been implemented, the enforcement costs for fiscal year 1977 and subsequent years are projected at $3.1 million annually.

WILDLIFE MANAGEMENT

Senator ROBERT C. BYRD. Nearly half the $1.9 million increase for wildlife and fish habitat management is for endangered species. Where will this effort be concentrated and on what species for the most part?

Mr. NELSON. Efforts to enhance and protect endangered species habitat will be concentrated in those Forest Service regions having the greater priority need and numbers of species. Primarily, these regions include the Southwestern, Intermountain, California, Southern, Eastern, and Puerto Rico. Although work will be done on the majority of the 39 endangered species, major effort will be directed toward the following: Blackfooted ferret, Eastern timber wolf, kirklands warbler, red-cockaded woodpecker, Puerto Rican parrot, Southern bald eagle, and the California condor.

Senator ROBERT C. BYRD. Aside from related camping fees, does the Forest Service itself take in any revenue from the hunting, fishing, and other wildlife-related visits which you estimate at almost 90 million visits?

Mr. NELSON. No, the fees for hunting and fishing are charged and collected by the various States.

RANGELAND MANAGEMENT

Senator ROBERT C. BYRD. There appears to be little, if any, actual program increase under your rangeland management activity. What is your backlog on needed range improvements?

Mr. NELSON. The 1970 Forest Range Environmental Study (FRES) included an analysis of the present range management situation on National Forest System lands. This analysis indicated that to sustain the current production level, in terms of animal unit months of grazing, would require an annual installation of 2,875 miles of fence and 1,843 water developments. It would require the revegetation, by cultural means, of 274,000 acres annually. During the 5-year period, 1971–75, we have been installing about 1,200 miles of fence and 1,300 water developments annually. We have revegetated about 160,000 acres annually. This would indicate that during the 5-year period since the analysis was made, we have accumulated a backlog of 8,375 miles of needed fence, 2,715 water developments, and 570,000 acres of revegetation.

Senator ROBERT C. BYRD. You cite long-term goals with 1990 and 2000 as the target years. Is the proposed program level sufficient to reach those goals?

Mr. NELSON. It is not. The goals cited correspond with the high program level option of the environmental program for the future, a long-term forestry plan which is still in the proposal stage. The 1976 program proposal reflects this plan insofar as program mix is concerned, but it does not provide for initiation of the plan in terms of program level.

Senator ROBERT C. BYRD. Aren't those goals going to be revised significantly under the Resources Planning Act?

Mr. NELSON. It is possible. We are now in the process of making the renewable resource assessment required by the act. This will be done in considerable depth and may very well result in significant changes in long-term Forest Service goals.

MINERALS MANAGEMENT

Senator ROBERT C. BYRD. You are nearly doubling your minerals management activity with a requested $3.2 million increase and 58 additional positions. But will this be adequate, in your estimation, to deal with requirements in pending land use legislation?

Mr. NELSON. Senator Byrd, there are several things that come into that item. Last year we instituted a new set of mining regulations for surface control under the Mining Law of 1872. We expect that, to carry out these mining regulations, it will take about $2,600,000. In addition, there are some costs involved in these roadless area review impact state-

ments that Mr. McGuire has alluded to previously. We also have a $242,000 increase in the budget for coordination of the mineral management activities with timber sales. This accounts for that increase. We have had some tremendous increases in workload in the mineral areas.

Senator ROBERT C. BYRD. How are you funding the increased workload?

Mr. NELSON. We have a proposal in this budget for a total increase of $3,230,000 to fund these necessary activities in the minerals management area.

Senator ROBERT C. BYRD. In what geographic areas will you be concentrating your expanded mineral management activity?

Mr. NELSON. A great deal will be in the Western United States.

Senator ROBERT C. BYRD. What other areas?

Mr. NELSON. We will have some increased mineral activities in the Lake States. We do have some increase in mineral activities in the Eastern United States, but to a lesser degree than we have had in the West. Out there the hard rock minerals and energy minerals have come into a greater play.

FOREST FIRE PROTECTION

Senator ROBERT C. BYRD. There is a slight increase budgeted for forest fire protection. Do you have any reliable cost/benefit figures on this activity?

Mr. NELSON. We do not have cost/benefit figures representing the entire activity. We have compared a number of our 1974 fires with previous fires we considered very comparable to check the cost/benefits of increased fire protection. The 1958 Stuart fire (Cleveland National Forest), for example, burned 68,000 acres, 14 homes, and took one life. It cost $1 million to put out. The 1974 Wild Horse fire, which, according to a computer validation had a greater potential for destruction, was suppressed at a cost of $200,000 after burning only 217 acres. We attributed the successful attack on the 1974 fire to immediate use of one helicopter, five air tankers, and two 20-man hotshot crews, all of which were unavailable in 1958.

Approximately $5.9 million was saved in the Texas unit of the Angeles National Forest in California during the 1974 fire season, as the result of investing $405,000 in fuelbreaks. Entering the fire season, fuelbreak construction was about 75 percent complete in this unit. Between June 16 and September 22, six major brush fires broke out during extreme fire danger conditions, burning over a total area of 12,111 acres. Suppression costs were $707,600 and resource damages were estimated at $2,400,000.

Fire experts projected that without the fuelbreaks these six fires would have resulted in suppression costs of $3,300,000 and in resource damages amounting to $5,700,000.

MAN-CAUSED FIRES

Senator ROBERT C. BYRD. Your figures indicate there is a strong increase since 1973 in the number of man-caused fires. Do you have any explanation for this trend?

Mr. NELSON. Because of large scale fluctuations in fire danger we do not consider an increase in man-caused fires from 1 year to the next a trend. However, the 1974 record does show a significant upward trend from the 5-year average. Major reasons for this trend are the gradually increasing use of the land for recreational purposes, and the increasing proportion of total recreation use taking place in dispersed, as opposed to developed recreational sites. During the past 5 years, use of developed sites has increased 11 percent while use of the undeveloped areas has increased 17 percent. For this reason we have been having more problems with escaped campfires, carelessly discarded smoking materials, and children playing with matches, than previously.

SPECIAL USES

Senator ROBERT C. BYRD. More than a $1.5 million increase and 32 additional positions are requested for special use administration. How much of the increase is directly related to energy developments?

Mr. NELSON. A fair share of this increase is related to energy development. What I would include here in energy development, Senator, is not only the activity involved in the development and extraction of the mineral or the energy source, but also the transmission lines, the roads, the railroads, and other appurtenances of that type that are connected with mineral activity.

Senator ROBERT C. BYRD. Why don't you require reimbursement of your costs related to rights-of-way and similar special uses, as is done with the Alaska pipeline? Is there any law that prohibits requiring such reimbursement?

Mr. MCGUIRE. We are considering that possibility, Mr. Chairman. The problem is that we are not sure of just where to draw the line. We have thousands and thousands of applications of all kinds. Some of them from individuals and small companies. We are not sure just what the rules ought to be. We have tried with some of the larger firms. Obviously we cannot allow the applicant to make the environmental impact statement, but we think we could require him to pay for the cost of making the statement.

Our policy at the present time is to say to the applicant that we will analyze the proposal when we get around to it and when we have the money to do it, but if you want it done faster than that, then you are going to have to put up the money to speed it up. That is about where we stand, but we are not sure that that is the best policy. Maybe we need to go a little further with this issue.

Senator ROBERT C. BYRD. Is there any law prohibiting such reimbursement?

Mr. NELSON. No, Senator. To our knowledge there is not. In fact the Independent Offices Appropriations Act of 1952 provides ample authority for charging applicants to the extent that they benefit from the proposed use, we feel.

Secretary LONG. Mr. Chairman, there are administrative precedents in administrative law. There are long-standing practices which would have some bearing. Unless the law specifically was changed this would have a bearing on actions of this nature.

FREE USE PERMITS

Senator ROBERT C. BYRD. You issued an estimated $2.7 million worth of free use permits in fiscal 1974, according to your justification. What kinds of permits are these?

Mr. MCGUIRE. We issue free use permits for a variety of reasons, Mr. Chairman. For example, we permit people to cut firewood from dead and downed timber that is not otherwise valuable. We may give small ranchers permits to graze horses or a few milk cows on the national forests under free use.

There are, of course, all kinds of grazing uses by packers, outfitters, and the general public utilizing the forests, traveling across the forests, using the forage, that sort of thing. Each one of these permits is on such a small scale that it is hardly worthwhile to try to charge. Also, we do have authority in the act of 1897 to permit free uses by settlers living in the vicinity of the forest.

Senator ROBERT C. BYRD. Elaborate for the record on this question.

Mr. MCGUIRE. I will be glad to do that.

Senator ROBERT C. BYRD. And perhaps you can indicate how the $2.7 million represents an increase over the previous year.

REDUCTION OF FREE USE PERMITS

Mr. NELSON. It is my understanding, Senator, that we have been gradually reducing the number of the free use permits. Part of the reason that we have asked for increases in the special use area is so that we can get better control of the free special use permit area.

Senator ROBERT C. BYRD. All right. If you would expand a little on the free use permits, the types of permits we are talking about for the record.

Mr. MCGUIRE. We will do so, sir.

[The information follows:]

Although we look at all permits as carrying a charge, there are circumstances when they may, by regulation or law, be without charge. These are when the use is by a governmental body or the use is noncommercial. Uses which benefit the Government in administration of the National Forests are also in this category.

The most common uses authorized free are: borrow pits, fences, power and telephone lines, radio communications, roads, and water supply and transmission facilities.

We periodically review free permits to determine whether they can remain free. In recent years, many permits which no longer qualify have been converted to charge permits.

INSECT AND DISEASE CONTROL

Senator ROBERT C. BYRD. Your justifications point out that costs of insect and disease control have increased because of environmental impact requirements and restrictions on chemicals. To what extent have they increased, and how does your budget provide for that increase?

Mr. MCGUIRE. Mr. Chairman, let me ask Mr. Thornton to reply to that.

Mr. THORNTON. Let me point out that this activity goes to all forest lands. Part of it is directly on the national forest system and partly in cooperation with some 40 States. The regular appropriations for

this activity have been about $11.2 or $11.3 million for a number of years.

In recent years we have had an upsurge of various pests as was mentioned this morning so that it has been necessary to either reprogram money as was done in 1973 or to come back to the Congress for supplemental appropriations as was the case in 1974 and as we anticipate in 1975. The answer is that we have had to come back for additional control moneys, partly because of the increased pest activity and partly because of increased costs.

Senator ROBERT C. BYRD. What are the existing restrictions on your use of 2,4,5–T and similar chemicals?

Mr. THORNTON. 2,4,5–T and the other phenoxy herbicides are used when they are the herbicide of choice to most efficiently stunt or kill the target weed species. The use of these phenoxy herbicides is in compliance with the sites of application, target organisms to be controlled, use directions and safety precautions as they appear on the labels of these products registered with the Environmental Protection Agency. These registered products are considered to be safe and effective, when used according to their label directions and precautions. In addition to these stringent restrictions, buffer strips and drift control agents are used to reduce contamination of bodies of water and other sensitive areas.

EMPLOYEES COMPENSATION FUND

Senator ROBERT C. BYRD. What is responsible for the large increase for reimbursement of the employees' compensation fund?

Mr. DEINEMA. The increased level of reimbursements is due to an increase in the actual compensation payments which are adjusted to the cost of living index, and also to the increase in cost of medical services. Another reason is that many of the payments continue from year to year, such as payments to families of work fatality victims, and to partially or totally disabled employees. These payments, plus new cases each year, tend to have a pyramid effect.

TRAVEL COSTS

Senator ROBERT C. BYRD. Why do you need a $5.2 million increase in travel for forest land management, a jump of 64 percent?

Mr. MCGUIRE. At the time this budget was prepared, there was imposed a Governmentwide limitation on travel costs for fiscal year 1975. The travel amount was limited to 95 percent of what was shown in the 1975 budget proposal 1 year ago in each appropriation. This did not take into consideration any additional amounts appropriated by Congress, nor the travel costs associated with emergency forest fires costs. The amount shown for fiscal year 1975 in the budget before you is not a realistic figure. As you know, the travel limitation has now been eliminated and we expect our travel costs in 1975 and in 1976 to be on a comparable basis as related to the total dollars available in the appropriation.

Senator ROBERT C. BYRD. How much of your travel is directly related to training?

Mr. DEINEMA. In fiscal year 1974 the travel costs related to training amounted to an estimated $1.6 million. It is estimated that these costs

will be about $2 million in fiscal year 1975 and $2.5 million in fiscal year 1976.

LANDS AND STRUCTURES

Senator ROBERT C. BYRD. What is involved in the 86 percent increase in the lands and structures object class?

Mr. MCGUIRE. The increase in the object class for lands and structures in forest land management includes such items as landscaping, fences, tree planting, timber stand improvement, and range seeding that are accomplished under contract.

FOREST RESEARCH

Senator ROBERT C. BYRD. Let's go now to your forest research activity, for which $79.2 million is requested. This is an actual program increase of about $500,000 over the current year, most of it in forest resources evaluation. Please explain your priorities that led to the various increases and decreases in research programs.

Mr. DICKERMAN. In recognition of new legislation requiring acceleration of some research activities and within allowances made available to the Forest Service, the decision was made to reduce budget items in which there was a minimum of funds invested. Some of the items were reprogramed into meeting new legislative requirements. In the interest of efficiency, we have redirected some funds within line items to accelerate research activities. The increase in forest resources evaluation is to meet the requirements of the Forest and Rangeland Renewable Resources Planning Act of 1974.

Senator ROBERT C. BYRD. Most of your other research efforts show program decreases, apparently because of the discontinuance of many congressional increases. Please detail for the record those programs that have been discontinued or reduced and explain why.

Mr. DICKERMAN. We will furnish that for the record, Senator.

[Information requested follows:]

Research Program Decreases

Program	*Amount*
Forest watershed management research:	
Colorado	$300,000
New Hampshire	100,000
New York	300,000
Pennsylvania	300,000
Washington	300,000
Wildlife, range, and fish habitat research:	
Alaska	200,000
Idaho	100,000
Mississippi	100,000
Nevada	315,000
North Carolina	36,000
Oregon	60,000
Utah	100,000
Washington	100,000
Trees and timber management research:	
Wisconsin	87,000
Alaska	200,000

NOTE.—These program decreases were necessary in order to stay within the budgetary constraints under which the fiscal year 1976 budget was developed.

STRIP MINING RESEARCH

Senator ROBERT C. BYRD. I don't believe your strip mining research effort shows any program increase. In view of the energy and mineral priorities that now exist, why is this work not being expanded?

Mr. MCGUIRE. This is very important work. As you know, we have been doing research and reclamation of surface mine lands for many years. However, we were unable to make a strong enough case that this should be given higher priority than it has been given. Second, there was a decision that this area of work relating to energy should be handled by other agencies in the Government. We do expect that we may be expanding some of this work if passthrough funds become available through appropriations made to the Department of the Interior or the Environmental Protection Agency.

WATERSHED MANAGEMENT RESEARCH

Senator ROBERT C. BYRD. How do you explain how your priorities resulted in a $1.3 million reduction in watershed management research while you continue recreation research at the same program level?

Mr. MCGUIRE. Most of the reductions that you see in the research proposal, Mr. Chairman, frankly, are the add-ons found in last year's appropriation bill. Very few of the add-ons survived the final decision on the budget request in research.

EASTERN RECLAMATION CENTER

Senator ROBERT C. BYRD. Secretary Long, the justifications describe on page 106 your surface environment and mining program—which would be concentrated in the West. I want to take this opportunity to remind you of my strong interest in the development of an eastern reclamation center to develop improved methods of reclaiming strip mined lands in the East and, particularly in the Appalachian Region, which has large areas of strip-ravaged lands. You and I have discussed this matter before, and I hope that an eastern program can be developed which will permit utilization of the available location in West Virginia and the $700,000 which I obtained for the construction of a soils and related reclamation laboratory.

I hope that you will exert your strongest efforts to get a badly needed center of this type constructed and underway.

Secretary LONG. Mr. Chairman, it is my understanding in the new legislation that is yet to be determined in Congress, there may be an identification for the Department of Agriculture for orphan lands. We will have the responsibility for some research and development under this program. This is not yet an act, and we can't talk about what it contains until it is.

There is some hope that we will have an increased role to play as a Department. It could possibly include an eastern research facility.

Senator ROBERT C. BYRD. Yes; we have discussed this, Secretary Long, and I hope that you will exert your strongest efforts to get this very badly needed center constructed and underway.

ACCELERATED HARDWOOD TIMBER RESEARCH

I understand that we could make better use of our eastern hardwood forests to help meet the Nation's demand for wood. Is that right?

Mr. McGuire. That is correct. At the present time, we are actually overusing softwood timber and underusing hardwood timber. For example, hardwoods cover 54 percent of the commercial forest land in the entire Nation and in 1970, our most recent appraisal date, hardwoods were growing 25 percent faster than they were being utilized.

Senator Robert C. Byrd. If the resource is there, why is it not being used?

Mr. McGuire. First, let me explain that hardwoods are being used, and they provide the raw materials for essential forest industries that are important to the economy. But, they could become much more important to the economy. The primary reason for underutilization is the lack of technology for (1) new and improved products, (2) more complete utilization, and (3) environmentally better and more economical harvesting methods. Improved techniques such as these will also contribute to more efficient energy use.

Senator Robert C. Byrd. What can research do to meet these needs for new technology?

Mr. McGuire. We would propose to accelerate research in the harvesting and utilization of hardwoods at some existing research location in the East. They would include the Forest Products Laboratory at Madison, Wis., and at field locations in each of the four eastern forest experiment stations.

Senator Robert C. Byrd. Please supply more detailed information for the record, including cost estimates.

[The information follows:]

ACCELERATED HARDWOOD RESEARCH
(A Proposed National Program)

With current trends of over-utilizing softwoods and under-utilizing hardwoods, we will have timber supply shortages and higher prices for all wood products.

The consequences of these trends are not inevitable. The alternative is to take advantage of our vast hardwood resource in the East and put it to work. Hardwoods occupy 54 percent of the commercial forest land in the United States, and growth exceeded removals by 25 percent in 1970. Increased utilization of hardwood timber can help offset anticipated shortages of softwood.

To close the gap between our wood supply and wood use, it is proposed that research and development of hardwood harvesting and utilization be accelerated at the Forest Products Laboratory in Madison, Wisconsin, and at the four Eastern Forest Experiment Stations. Research in the technology of harvesting, processing, increased use of residue, and marketing is the key to new and improved hardwood products, lower costs, and the development of environmentally acceptable harvesting processes. Such advances will also contribute to improved efficiency of energy use in forest industries.

Forest Engineering Research at Morgantown, West Virginia, is an integral part of this program through accelerated research on several harvesting problems that are barriers to the increased use of Appalachian hardwoods. Appalachian forests grow on steep slopes. These steep slopes mean that logging, and the necessary road construction, are both difficult and expensive. Soil disturbance can cause excessive stream sedimentation. Evidence of logging is highly visible; an important problem because of the high scenic and recreation values of these forests for the public.

Two other problems of timber harvesting in the East are particularly important. One results from the wide variety of species, which means that cutting practices must vary according to the best management for each species. The other stems from the pattern of small forest ownership, which means equipment must be designed for small operations.

Accelerated research is needed to develop new and improved timber harvesting systems that will overcome problems unique to logging Eastern hardwood forests. In particular, this research should be oriented toward development and modification of logging systems and equipment:

1. To reduce miles of logging roads, reduce soil disturbance, and improve the appearance of areas where timber has been harvested.

2. To provide for alternative logging methods which will minimize damage to the remaining trees and the site.

3. To provide for efficient handling of hardwood timber.

4. To capture more of the total wood fiber such as irregular logs and limbs.

The results of this engineering research, coupled with evaluation of environmental disturbance associated with each logging system, will provide guidelines for selecting the economically and environmentally sound logging system to fit the special characteristics of each forest stand.

This research would be an addition to the existing Forest Engineering Research by the USDA Forest Service at Morgantown, West Virginia, and would include employment of additional scientists and technicians at Morgantown. Cooperative studies would be conducted by universities and other research organizations through grants. Existing research units within the Northeastern Forest Experiment Station territory would be utilized to provide needed expertise in silviculture, hydrology, ecology, utilization, and marketing.

DISCONTINUANCE OF RESEARCH PROJECTS

Senator HATFIELD. Will the Senator yield at this point?

Senator ROBERT C. BYRD. Yes.

Senator HATFIELD. The chairman referred to one of the add-ons by the Congress last year. I just wondered, Chief McGuire, if that was one of the items which you stated here on the next to the last page of your testimony under "Forest Research," when you said we planned to discontinue some of the other important research programs added by Congress in 1975?

Mr. MCGUIRE. That is correct, sir.

Senator HATFIELD. Can you give us the rationale why you discontinued these or are planning to discontinue these research programs added by the Congress in 1975?

Mr. MCGUIRE. The problem we had in cutting back was to find the most efficient ways of doing it. Typically in research, it is more efficient to cut those projects that haven't gotten well started, than to disturb an existing project that has reached a high level of productivity. New projects, whether added by the Congress or not, are all in that kind of category.

Senator HATFIELD. Sort of like the new starts in the Corps of Engineers programs, is that it? It is easier to cut back the new starts than the ongoing projects. None of my projects are in that class, are they?

Mr. MCGUIRE. No, sir.

Senator HATFIELD. Thank you. But I see that you dropped $50,000 for the LaGrande, Oreg., laboratory.

Mr. MCGUIRE. That's correct, I forgot about that.

STATUS OF EASTERN RECLAMATION CENTER

Senator ROBERT C. BYRD. Secretary Long, once the strip mining legislation has been finalized you would anticipate proceeding with plans for development of the Eastern Reclamation Center, did I understand you to say that?

Secretary LONG. We have plans for a research and development program. I am not sure, Mr. Chairman, exactly where the funding is for the facility which we referred to earlier. It was an item for deferral as I understand it.

Senator ROBERT C. BYRD. That is the $700,000?

Secretary LONG. Yes, sir.

Senator ROBERT C. BYRD. I understand that it is still in the deferred status and has not been rescinded.

Secretary LONG. That is my understanding, sir.

Senator ROBERT C. BYRD. I have confidence that you will continue to exert your strong interest and efforts on behalf of this badly needed center, Secretary Long.

Senator Hatfield, if you would like to proceed with some questions now, why don't you go ahead?

Senator HATFIELD. Mr. Chairman, I have some questions I would like to submit for the record and have Chief McGuire submit to them in writing.

Mr. MCGUIRE. I will be glad to, sir.

Senator HATFIELD. I wonder if it is possible to keep the record open for a couple of weeks for additional questions?

Senator ROBERT C. BYRD. I don't see any reason why not.

TIMBER SALE POLICY

Senator HATFIELD. Chief McGuire, I would like to take up a couple of subjects with you at this time, reserving the questions on research that I have and other matters for writing.

As you know, the housing starts are down from about 2 million to 888,000—I believe that was the last figure that I have seen. The thing that concerns me is, once this economy is on the upswing again, that we not find ourselves in a skyrocketing lumber price situation. A lot of this depends, I think, on the policy that you exercise in timber sales.

Recently the Forest Service extended the period of time for timber operators to cut and pay for their purchases. Some of the correspondence I have received from constituents and others in this field indicates that they feel that this leads to more speculative bidding on timber sales which drives stumpage prices up even further at a time when new housing starts are down.

Would you comment on this?

Mr. MCGUIRE. That is absolutely right, Senator Hatfield, and this illustrates our dilemma. On the one hand, if we do not extend I am sure that some operators will find the situation intolerable and may have to go out of business, thereby reducing competition in the industry. On the other hand, if we appear to be willing to extend, the bidders anticipating less risk will be inclined to speculate to a greater degree.

I recognize that in the auction of the Government timber the buyers are anticipating what the market will be two or three years hence, because timber they are buying on the date of the auction will probably not come to market until after roads are built, harvests are made, and logs are sawed in the sawmills, which takes a long time.

Nevertheless, we intend to hold to a firm, strict, no-extension policy, and that is still our policy.

Senator HATFIELD. To no extension?

Mr. MCGUIRE. No extension, sir. However, we found that there were some small short-term sales, relatively few, most of them in the Southern United States, that were acquired at a time that was unprecedented, with one exception, in our history. Prices dropped about 20 percent very rapidly last spring and these short-term sales were coming up to the end of the term without a change in the market. We conceded that in this extreme case we would give an extension under certain circumstances.

We did not intend to signal by doing that, that we had made a change in our policy. Nevertheless, we took the risk, and I am sure that some of the bidders are going to say, "Well, that is the first break. If they do it in that kind of situation they may do it for other situations and, therefore, I can take a little more risk when I put in my bid."

Senator HATFIELD. You are saying, then, for the record that the circumstances under which you gave an extension, a period of time, for timber operators to cut and pay, was a situation which was restricted to a specific geographic area under specific conditions?

Mr. McGuire. No; it was restricted to a specific economic condition. where the drop in prices exceeded 20 percent in about 30 days or so.

Senator Hatfield. But this happened where, geographically?

Mr. McGuire. It happened to affect a few sales in the Southeast because they were short-term sales. They were generally 1-year sales. In other words, the buyer had to cut the timber within a year, unlike the West where there is much more latitude.

Senator Hatfield. Are you saying this extension would be inapplicable to the West?

Mr. McGuire. In most cases, it would be. There were some small sales in the West that might have come in under this, but not many.

Senator Hatfield. But not restricted, though, to the Southeast? In other words, it is a general policy that under similar economic circumstances could be applied in the West.

Mr. McGuire. That is true, sir.

Senator Hatfield. Do you anticipate or is there anything on the horizon that would indicate you think it will be applied or could be applied in the immediate future to the West?

Mr. McGuire. There is nothing on the horizon that indicates it will be applied to the West. We think the Western buyers generally have far more time to accommodate their programs to the market.

Senator Hatfield. Do you feel that where you did apply it, that it was successful and that you, in retrospect, had a wise policy in making this extension?

Mr. McGuire. Yes; I do. I think the buyer in this case, particularly in the Southeast, with small firms in desperate conditions, really had no way——

Senator Hatfield. We have small firms in desperate conditions out West.

Mr. McGuire. Not in the same sense, because usually in the West we give the buyers 2 or 3 years to carry out the terms of the contract. In the Southeast it is a 1-year contract.

Senator Hatfield. But you do agree that it tends to lead to speculative buying?

Mr. McGuire. That's right, sir. It certainly does. This was our dilemma.

DEFICIT SALES

Senator Hatfield. Which leads me to the next question. That is, for the record, would you define a deficit sale?

Mr. McGuire. A deficit sale, Senator Hatfield, is a sale where the minimum value of the timber, taking into account the cost of roadbuilding and all the other costs that are required by the offered contract, does not provide a normal margin for profit and risk at current market levels.

Senator Hatfield. And how many of those did you have, say, in a period of the last 6 months of calendar 1974?

Mr. McGuire. We do not have the exact figures, Senator. There are many of them, particularly in the Rocky Mountains in the West, where roadbuilding costs are high and timber values are relatively low. The problem comes about, as you recognize, chiefly because of the requirement that the purchaser build the road.

Senator HATFIELD. But, Chief McGuire, isn't this also a factor that affects the price of timber, or price of lumber in the marketplace to the consumer, and puts us in one of these roller coaster situations as we look down the road? We have, No. 1, speculative bidding; No. 2, that leads into deficit sales. And at the same time OMB says to you, because housing starts are down we should reduce, I suppose, costs involved in preparation for sales. Is that right?

TIMBER SALES PROGRAM

Leading into the next question: What was the total sales program proposed to be financed by this year's administrative budget request?

Mr. MCGUIRE. The total sales program in fiscal 1976 is slightly higher than 11.8 billion board feet.

Senator HATFIELD. The level is higher than 11.8?

Mr. MCGUIRE. Yes, 11.858 billion, slightly higher. In addition, we will carry over a billion board feet that we were enjoined from selling last year. We will have in the 1976 program about 12.858 billion board feet available.

Senator HATFIELD. What was the actual that you sold last year? For the record, would you give us a span of years, say 6 years, of what you actually sold and what was the program sale from the administrative budget point of view?

Mr. MCGUIRE. Yes, we can do that, Senator. We prepared in 1974, 11.9; we plan to prepare 11.6 in 1975; and we expect to prepare 11.858 billion in 1976.

Senator HATFIELD. And what was the actual sale of the board feet?

Secretary LONG. We spent the money for preparation in anticipation of sales.

Senator HATFIELD. What is the actual sale as distinguished between what you prepared and what you actually sold?

Mr. MCGUIRE. The actual sales in 1974 were 1 billion less, approximately, because of the restrictions placed on it by the court. It would be about 10.8 billion actually sold in 1974.

Senator HATFIELD. Restrictions placed on by——

Mr. MCGUIRE. By court order, sir. You recall that the court enjoined us from selling an additional billion board feet that was decided about midway in the year because we did not file an environmental impact statement with the request. Also, we had to take into account that that was late in the year and, therefore, we just let those sales go.

Senator HATFIELD. What are you reaching in the current fiscal year in actual sales and preparation for sales?

Mr. NELSON. During the first half of the year we prepared about 90 percent of what we had planned for the first half.

Senator HATFIELD. Prepared, but what did you actually sell?

Mr. MCGUIRE. In the first 6 months of fiscal year 1975 we offered 5.484 billion board feet for sale. Of that, 402 million board feet received no bids. Approximately 5.080 billion board feet were sold.

SALES OF TIMBER BY BOARD FEET IN 1975

Senator HATFIELD. Project that to the end of the year. If that level continued what would be the final figure on the sales, actual sales versus prepared sales?

Mr. McGUIRE. We could provide that, Senator. As you know, it is not just multiplying by two here.

[The information follows:]

We project that we will prepare 12.1 billion board feet of timber and will sell 11.3 billion board feet in fiscal year 1975.

NONGREEN TIMBER

Senator HATFIELD. I understand. Seasonal character.

Is this so-called 11.8 or 11.9 billion board feet all green timber? I am told, I think, this involves cull materials, lodgepole pine, small materials and other such. Is this correct?

Mr. McGUIRE. That is correct, sir.

Senator HATFIELD. Could you give us the figure as to what percentage of your 11.8 billion board feet is composed of this nongreen timber?

Mr. McGUIRE. We can do that, sir.

[The information follows:]

ESTIMATE OF "NON-GREEN" AND OTHER NONCHARGEABLE VOLUMES INCLUDED IN THE 11.8 BILLION BOARD FEET SALE PREPARATION PROGRAM IN FISCAL YEAR 1976

409 million board feet—local scale log rule—which is 3.4 percent of the total 11,858 million board feet sale preparation program. This volume includes some dead material, but it also includes other materials; such as logging residues and nonstandard sizes of trees or species of trees which are currently marketable. It also includes volumes of green and nongreen trees which may be harvested from nonregulated acreage.

However, there are additional volumes of sound dead material which are both standard and chargeable to the allowable harvest, which are harvested along with the green timber. Altogether, it is expected that as much as 1,120 million board feet of salvable dead material can be harvested as either chargeable or nonchargeable volumes through an intensified effort to harvest the annual mortality before the material deteriorates.

ALLOWABLE CUT

Senator HATFIELD. This leads us to the next figure and that is what is the national allowable cut at this point?

Mr. McGUIRE. The allowable cut is 13.3 billion board feet.

Senator HATFIELD. There are so many questions that flow from this, and, again, I will prepare some for the record. But what would it take, administratively, to prepare for the total allowable cut? In other words, if you were to set your goal for the preparation and sale of the total allowable cut, what would it require in either addition to your current budget, or however else you want to compute it?

Mr. McGUIRE. Well, I would think it would take another $5 to $10 million, just for sales preparation.

Senator HATFIELD. That leads to the next question. How much of your total sales is outside of your allowable cut, say for fiscal 1976?

Mr. McGUIRE. We plan to offer in 1976 about 1.2 billion board feet of salvageable material. However, some of that is within the allowable cut calculations and some is not. The reason for that is, in making the allowable cut calculation, the planner has to estimate how much timber can be salvaged during the planning period and the part that he takes into account in his planning is chargeable. The part that is not taken into account in the plan is not chargeable. It is some of each.

Senator HATFIELD. Well, you are going to prepare for the record some of this material that I have asked for, both that which is green

timber only in the allowable cut, and that which is outside of the allowable cut. Could you refine those figures and also the administrative cost figures involved to achieve certain goals, the allowable cut goal, plus the outside amount, or the potential outside amount that you haven't even computed at this point?

Mr. McGUIRE. We will be glad to do that, Senator, but we will also have to give you, if you are willing, some estimates of the road costs involved here because we cannot reach the allowable cut without roads, and the values in the more marginal portions of the timber stand simply won't carry the roads.

Senator HATFIELD. I understand.

[The information follows:]

ESTIMATE OF THE PORTION OF THE CURRENT ANNUAL ALLOWABLE HARVEST AND ADDITIONAL NONCHARGEABLE ON NATIONAL FORESTS THAT COULD BE PREPARED AND OFFERED FOR SELL IN FISCAL YEAR 1976 AND THE ADDITIONAL FUNDS AND STAFFING REQUIRED ABOVE FISCAL YEAR 1976 BUDGET ESTIMATES

	Million Board Feet
Annual allowable harvest	13,565
Minus roadless wilderness study area	-299
	13,266

Volumes not attainable in fiscal year 1976:

a. Delayed in NEPA process in currently roadless areas	-536
b. Lack of markets, mill capacity, advance sale preparation, and advance road construction.	-930
c. Total	-1,466
Residual portion of allowable harvest attainable	11,800
Nonchargeable material available	398
Total attainable in fiscal year 1976	12,198
Current fiscal year 1976 program target	-11,858
Increases in planned program level possible with increased funding and manpower	340

Additional appropriated funds needed for the above increase:

a. Timber resource management	$ 3,325,000
b. Support activities:	
Recreation use	122,000
Wildlife and fish habitat management	105,000
Rangeland management	30,000
Soil and water management	176,000
Minerals management	33,000
Forest fire protection	434,000
General land management activities	309,000
Cooperative law enforcement	34,000
Construction and land acquisition	142,000
c. Forest roads and trails	4,250,000
d. Total appropriated funds	8,960,000

Additional established permanent full-time ceilings needed for the above increase 180

REGION 1—MONTANA AND IDAHO

Senator HATFIELD. Let's take one of the great problem areas, and I am speaking of region 1, which involves Montana and Idaho, as far as Forest Service regions are concerned. As I understand it, you have an allowable cut there of 1.7 billion board feet; is that correct? And I am also told that the sales under the present budget are at the 1.3 billion level.

Mr. MCGUIRE. That's about right, sir.

Senator HATFIELD. As you know, the Forest Service has come in for a great deal of criticism for the conditions in region 1. Many people feel that if this persists and is not corrected, these circumstances possibly could spread to other regions. Only to cite for the record, and if I am in error with my figures please correct me, I would like to have you comment on what you feel is the circumstance that led to this condition in region 1, what you are doing to correct it, or if you feel it is a problem.

I understand that at the end of the first 6 months of 1975 fiscal year, that region 1 reported sales of 325 million board feet. However, much of this was considered as what we call junk material or cull material not normally chargeable to the allowable cut. Then I am also informed that as far as actual sound timber is concerned only 195 million board feet for the first 6 months was sold, again in fiscal 1975. That statistic is based upon a report by the Forest Service to the SBA.

To what do you attribute this situation, and do you consider it a deplorable one or do you consider it a satisfactory one?

Mr. MCGUIRE. We consider it a deplorable situation, Senator. The problems in that part of the country are extremely acute. There is strong opposition in many quarters to any kind of timber cutting; much interest in leaving the unroaded areas unroaded. We are challenged whenever we go into unroaded areas, so we have to go through a great deal of land use planning, public meetings, environmental impact statements, and so on.

The second problem is that in this region we have many thousands of acres of relatively unproductive stands that have to be brought into production. They have been damaged, for example, by past insect epidemics or by fires, or they are stands of large pole pine that have stagnated. The values from the present stands are not very high, true, but looking to the future we have to do something about those stands. Somehow we have to find a way of getting those stands put into productive condition, and, given our funding circumstances, about the only thing we can do is try to sell such timber, get the industry to take it and get the industry to take the long view. By getting some of this kind of material off the land now, we will then be able to get new stands on these lands that will grow faster.

Senator HATFIELD. Is industry not interested in these stands?

Mr. MCGUIRE. Industry is interested in those objectives also, but it is difficult for the industry to attempt to absorb as much of this less desirable material.

Senator HATFIELD. But are you saying that you had preparations and offers and industry refused them or turned them down?

Mr. MCGUIRE. No; they have taken most of what we have offered. We have had some deficits.

Senator HATFIELD. Then there is no question but that it is a possible and salable area if prepared and offered for sale.

Mr. MCGUIRE. If it is bought, sir.

Senator HATFIELD. Is it administrative problems that you have in not preparing the sales? Are you saying the whole thing is on the basis of the environmental opposition?

Mr. MCGUIRE. No; I am saying these are some of the problems. That is one reason we have to offer so much material that is less than desirable to the buyer.

Senator HATFIELD. What steps are you taking to correct the situation?

Mr. MCGUIRE. I think the only long run solution to this kind of situation is to get more roads into the area. The timber in the region is not high value because it is so distant from markets.

Senator HATFIELD. Do you have adequate budgeting for that in this fiscal 1976 request?

Mr. MCGUIRE. We have no budgeting to any extent for that.

Senator HATFIELD. In other words, the condition in region 1 is going to continue as is.

Mr. MCGUIRE. With this budget it will continue for another year.

PROJECTED TIME SCHEDULE

Senator HATFIELD. Do you have a projected time schedule of when you will be improving and changing this deplorable situation in region 1?

Mr. MCGUIRE. I wish I had, sir.

Senator HATFIELD. You don't have a plan?

Mr. MCGUIRE. We have a plan and we know what is required, but we don't have any schedule. In other words, we don't know when we are going to get that kind of funding to take care of this situation.

Senator HATFIELD. Did you request the funds for this fiscal year?

Mr. MCGUIRE. Senator, we were constrained in what we could request.

Senator HATFIELD. We are back to this OMB-wise and Congress-foolish situation, to paraphrase a pennywise and pound-foolish circumstance. You are saying it is a budgetary problem, not a forestry, professional forestry problem?

Mr. MCGUIRE. I won't say it is not an entirely professional forestry problem because a forester has to get the lands back into condition. That means getting some of this junk off. But the big job is getting roads into the area and spreading it out to a larger extent.

Senator HATFIELD. Are people raising false fears, if they think this condition could spread to other regions?

Mr. MCGUIRE. People are rightly concerned. They are worried about the future availability of national forest timber. After all, the National Forests contain half of all the standing softwood timber in the United States. There is fear on the part of the environmentalists that much of this timber will be cut down, and there is fear on the part of the industry and the consumers that most of it will be locked up.

Senator HATFIELD. Don't we have a sustained yield timber in perpetuity commitment in the forest policies of this Nation?

Mr. McGuire. Yes, we do, but even so there is still a dispute as to whether the timber basis for sustained yield should be——

Senator Hatfield. When we see a slippage from the 10-year goal of reforesting 3.3 million acres and drop that back to 17 years, that adds to the concern of the environmentalists and rightfully so.

Mr. McGuire. And, also, to the concern of the industry.

Secretary Long. There are some basic economics involved. It isn't so much an issue of one region to another region, and so forth, but that with x amount of money where do you put it and where would it be most effective in terms of the results. The Chief has said this area has economic and production problems. It may not measure up to other areas in the country.

On the national scale there are some regions where priorities are set which don't give the region we are talking about the same level of support unless we were at some funding level way above what we have conceived. Within that broader area of total funds available an area like this does have some problems in measuring up economically. That is a basic economic consideration.

INTENSIVE FOREST MANAGEMENT

Senator Hatfield. Mr. Secretary, I appreciate what you say, but it doesn't clarify the problem we have at hand. We are told by the Chief and others in the Department that under intensive forest management—this is an interesting phrase. I have never been able to get the full definition—under intensive forestry management practices we could do all these things we want to do, in terms of sustained yield in perpetuity—recreation, mining, wildlife preservation, timber production, what have you, as far as meeting the forest goals of this country. And, then, when we translate that into budgetary matters or figures or levels of funding—and all I have to do is give you an example of the Gifford Pinchot Forest—we begin then to get sort of another approach here. We begin to get all sorts of other reasons why it isn't happening or it hasn't affected the allowable cut or met the other goals we set in our general forest policy.

I understand there is a relationship between economics and professional forestry practices and goals, but it is awfully difficult at times for me as a member of this committee over the last few years to get a rein on both of these.

Secretary Long. I have discovered this much in the 2 years I have been associated with the Forest Service, that I am now aware of the complexity of the problem. I know no simple answers are available even if we had all the resources we wished to have. I think Mr. McGuire's comment about the issues relating to environmental concern over roadless areas is a big factor. It is particularly significant in this area. It is sometimes beyond our control and even that of the Congress.

Senator Hatfield. That's right. But wherever the Congress can play an effective role in resolving some of these problems, we have to have stable and good data upon which to base decisions here. We can't have a moving sand foundation, or a changing of the rules of the game, or the objectives, after we get involved.

I intend to go into the Gifford Pinchot Forest matter further.

Secretary LONG. I am sure the Chief answered correctly on professional capability. I don't have any reservations on that score.

NEED TO RESOLVE REGION 1 PROBLEMS

Senator HATFIELD. Also, we grow concerned, too, when we have these problems and yet there is no schedule to correct them. If it is a budgetary matter, then let's get it out on a budgetary basis. If it is a professional forestry or an environmental problem, or whatever it is, let's deal with it.

I don't think any of us should sit around and tolerate that situation in region 1. I think we ought to have a plan and it ought to be based upon all the various contingencies that would take effect upon the fulfillment of that plan. At least we ought to have a plan or a schedule of when and how and what tools are required to correct that situation, because I think it is a cancer that does nothing but breed a discontent and also a deterioration of confidence and trust in the whole forest management system in this country.

I know of no one thing that is the target of more criticism than region 1. Frankly, both from the testimony here today and the statistics in the record that have been unchallenged today, there is no justification for that kind of deterioration.

I think we ought to reverse that because I feel the Forest Service is a great Agency of this Government and I want to give it full support. I want to remove these points of criticism as much as possible by my responsible action here on this committee. That is all I am asking, and I thank the chairman for his patience here today and for the time necessary to go into this matter.

This points up something far beyond just the Forest Service. We are talking about the consumer here today, what he hopes to be able to acquire as a home in the future and the price of the lumber in that home. We are talking about conservation, whether or not we are fulfilling our obligation as conservationists on federally owned land. We are talking about trust and confidence of the whole forest management system with these figures and statistics. We are talking about allowable cuts, timber outside of allowable cuts, all these other complex matters. We have to get it out in the open and get some kind of clarification where there is confusion.

Senator ROBERT C. BYRD. Senator Hatfield, I think you have made a very fine contribution here. I share your concerns and I think it is very well that you asked these questions.

QUESTIONS SUBMITTED BY SENATOR HATFIELD

Senator Hatfield will have other questions prepared for the record and we would expect you to respond to them, Chief McGuire.

[The questions and answers follow:]

QUESTIONS SUBMITTED BY SENATOR MARK O. HATFIELD

Forest Roads

1. Question.--Does the policy of having more purchaser-constructed roads save the Government any money in the long run?

   Answer.--Construction of roads by timber purchasers instead of by public works contracts reduces the level of appropriated funds required. However, the Government pays for purchaser-built roads through reduced receipts from the sale of timber. On the surface, it often appears that purchaser roads are less costly. Since they are built to satisfy the needs of a given timber sale, they may not meet needs of long-term resource management. Reconstruction to higher standards later usually results in higher overall costs to the Government.

2. Question.--To what extent could an increased road program now be useful in providing meaningful employment and providing access to areas to increase the timber supply?

   Answer.--Both employment and timber supply could be enhanced through increases in road construction programs. Approximately 19 million acres classified as commercial forest land are unroaded. Also, nearly half of the areas now accessible are inadequately roaded for intensive timber management. Numerous communities are dependent upon National Forest timber sale activities for their livelihood. In many of these areas, timber is not marketable at present because of need for road construction in advance of sales or funds to assist purchasers in construction of roads. Road construction to enable more intensive timber management can increase employment in a number of ways; such as, performance of the road construction, increasing on-the-ground timber activities, and by making additional wood fiber available for processing.

3. Question.--I have heard some concern about road-building standards being too high--that we are getting into the situation of having super highways through the forest when they are costly and unnecessary. What process does the Forest Service utilize to determine which road standards will be used?

   Answer.--The intent is to build roads to standards which will provide for the lowest overall transportation costs, including construction, use, and maintenance, and also meet environmental and safety requirements.

   The process consists mainly of:

   --Setting out prescriptions for construction and operation of the facility; such as, purpose of the road; type, volume, and season of intended use; environmental considerations.

   --Planning, location, and design to the standard which best fits the prescriptions economically, environmentally, and safely.

   An effort is made to minimize errors in judgment through the utilization of various competent professional skills throughout the process.

4. Question.--Is the Forest Service increasing the number of roads which must be blacktopped? Doesn't this tie up purchaser funds? When

blacktopping is required, would appropriating the necessary funds alleviate the problem?

Answer.--We have improved our analysis process for deciding what type of road structure will best accomplish the objectives and needs of given access situations. This has probably resulted in an increase in the number of paved roads. When the costs of construction, use, and maintenance are considered, paving is often a part of the most economical alternative. Paved surfaces can also provide certain environmental and safety advantages.

Some roads constructed by timber purchasers have paved surfaces. This occurs when overall transportation costs for paving are less than other road surfacing alternatives for operation of a given timber sale. Under these conditions, of course, less purchaser funds are tied up.

In most situations where paving is required, the decision is based on use greater than that necessary to operate a given timber sale. Appropriated funds are then needed either for the entire project, or to supplement purchaser expenditures.

Tussock Moth Control Program

5. Question.--Is the Forest Service following up on its tussock moth control programs by monitoring the long-term effects of DDT? Wouldn't this be a good opportunity to do so?

Answer.--The Forest Service is monitoring the effects of the DDT application made in the Pacific Northwest in the summer of 1974. A number of studies are underway. Most of them will be completed this fiscal year. We expect that it may be necessary to continue some of these monitoring activities through fiscal year 1976. Any longer term monitoring should, in our opinion, be the responsibility of the Environmental Protection Agency if they conclude that such work is necessary and feasible as further follow up to the 1974 control project.

6. Question.--How is the research into alternatives to DDT for tussock moth control progressing?

Answer.--The research to find environmentally more acceptable pesticides for the Douglas-fir tussock moth is progressing well. During the past field season we screened 14 new chemicals of which five were effective. Larger scale tests are planned for these compounds. Also, Sevin-4-Oil and Dylox were field-tested and are promising for registration. Areas sprayed with microbials insecticides (a naturally occurring virus and bacterium) in 1973 remained free of tussock moth one year after treatment; thus these materials are also promising candidates for registration and future operational use. Since the tussock moth outbreak has collapsed in the Pacific Northwest, additional tests with microbials are planned in British Columbia in cooperation with Canadian entomologists.

Project STRETCH

7. Question.--Have funds been requested for timber utilization research? I understand that research called "Best Opening Face" which has been conducted at your laboratory in Madison, Wisconsin, has been very

useful in the effort to better utilize our timber resource. Is this project being fully funded?

Answer.--The Best Opening Face sawing system is a highly successful development of the STRETCH program at the Forest Products Laboratory. STRETCH is designed to bring modern technology to each step of the process of converting a sawlog into products. The Best Opening Face system has been applied at sawmills. Yield increases of 15 percent or more are common. The fiscal year 1976 budget requests $681,000 to accelerate the STRETCH program. To fully fund the STRETCH program would require $663,000 in addition to the fiscal year 1976 request.

Spruce Budworm

8. Question.--Could you describe the need for additional research into control of the spruce budworm? What is the extent of the problems and what funding is necessary in this area?

Answer.--The spruce budworm is a chronic pest of forests in the Northeast, Lake States and Northwest. During the last four years, infestations have fluctuated from 1.5 million to 7.9 million acres in the Northeast and Lake States and from 1 to 6 million acres in the West. Since 1949, 2.5 million acres have been aerially sprayed in the Northeast and Lake States to prevent tree damage and mortality. In the West, 12.3 million acres were treated during the same time.

The ecological and economic impacts of the spruce budworm may be slight and transitory or severe and long-lasting, depending on the intensity and duration of infestation and the resource values affected. The most significant damage is growth loss as a result of defoliation. More spectacular is the tree mortality that occurs if the infestation is severe and prolonged. The less striking effects of defoliation on form of trees, forest stands and loss of seed through cone destruction can be significant.

In order to resolve the spruce budworm problem, a comprehensive array of management alternatives needs to be developed. Included would be research and development to provide technology for assessing and predicting impacts, developing silvicultural methods of reducing impacts, improving suppression methods, and developing integrated pest management systems. The variety of alternatives is needed because of the diversity of ecological conditions between the West, Lake States and Northeast.

To reduce the spruce budworm problem within five years through providing a comprehensive array of management alternatives would cost approximately $10 million per year for five years. By extending this period, the cost per year would be reduced accordingly.

To meet the immediate need to protect the forest, we would accelerate research on laboratory and field testing of promising pesticides, begin development of silvicultural controls to minimize the frequency and duration of future outbreaks, and improve detection and population trend prediction capability. This approach would require additional funding of $1,450,000 per year.

Wildlife Habitat Research

9. Question.--I understand that funds have not been requested to continue the wildlife habitat research at your Olympia, Washington lab-

oratory. Could you describe this program and tell the Subcommittee what funding is necessary to continue it?

Answer.--The wildlife habitat research program at Olympia, Washington, is designed to provide resource managers in the vast west-side forest areas throughout the Pacific Northwest with information that relates the effects of land management decisions to the health and numbers of wildlife. The research would study the effects and relationships of deer, elk, and smaller game and nongame animals on the forest resource and provide the research base for resolution of conflicts between timber production and forest wildlife. Especially critical is the relationship between intensive forestry practices, such as planting, thinning, and fertilization, and the maintenance of wildlife habitat, because patterns and cooperation of the vegetation have major effects on bird and animal habitats and populations. To continue this program would require funding at the fiscal year 1975 level of $100,000 per year.

Forest Inventories

10. Question.--The Forest and Rangeland Renewable Resources Planning Act of 1974 requires an additional effort on the part of the Forest Service to accelerate your forest inventories. Yet I understand that additional research funds are necessary to accomplish this. How much is needed and how would it be utilized?

Answer.--The Forest and Rangeland Renewable Resources Planning Act calls for reports every 10 years giving an assessment of the Nation's forest and related resources. The initial report is due in 1975 and a second report in 1979.

Two types of research effort are required. To meet the intent of the Act we need to conduct research to develop viable and economical methodology to accurately assess the nontimber resources and speed the timber assessment. An additional $1,250,000 per year is necessary to develop the needed assessment methodology. To meet the 10-year assessment schedule will require an additional $6 million per year to collect, analyze and interpret assessment data for all of our Nation's forest and rangeland resources.

Research Construction

11. Question.--The funds for construction of several research facilities were deferred by the President this year. Several of these were in Oregon. Do you intend to utilize these funds in fiscal year 1976?

Answer.--The deferred construction funds in Oregon involve the research facilities at Corvallis. We intend to use these funds as soon as they are released, and have proposed that this be done in fiscal year 1976.

Pulmonary Emphysema in Cattle

12. Question.--How has research into pulmonary emphysema in cattle progressed? Is further funding necessary for this program?

Answer.--The research on pulmonary emphysema has progressed extremely well. The Forest Service, Washington State University and Oregon State University are combining their research information on this problem. It is now possible to induce pulmonary emphysema in test

cattle with a chemical that is produced in cattle rumens under certain conditions. The chain of events that occurs within cattle leading to the production of the chemical have been identified. It is now necessary to identify the specific dietary (grazing) conditions that trigger buildup of the chemical that causes pulmonary emphysema in cattle. Continued funding at the $60,000 annual level would allow us to utilize new knowledge of the disease to develop a grazing system which would prevent the onset of the disease.

Noxious Weed Control

13. Question.--I understand there is a problem with noxious weed control in Eastern Oregon. Are you familiar with this problem? Could you tell us what efforts are necessary to deal with it?

Answer.--Some degree of noxious weed problem exists on each of Oregon's 13 National Forests. Some 15 different weeds are listed as needing control at various levels on 113,683 acres. Full control would cost nearly $4 million. A principal problem weed in Eastern Oregon has been Canada thistle (Circium arvense) while in the Western Oregon National Forests tansy ragwort (Senecio jacobaea) presents a larger problem. A growing concern in the vicinity of the Wallowa-Whitman National Forest in Northeastern Oregon is the yellow star thistle (Centaurea solstitalis). Effective control on relatively small acreage (500 acres) at this time could avoid greater problems and larger expenditures later.

Control may be achieved with varying success through herbicide application, mechanical procedures, and in some cases, prescribed burning. Careful environmental analysis is a part of each project proposal. Limited range management funds have been used to achieve some measure of control in especially troublesome areas, but this has been little more than a holding action. The real problems are more to downstream agriculture than the National Forest resources. Funding under the Carlson Act (PL 90-583, 10/17/68) would be required for effective control. This provides for reimbursement to local weed control districts for control activities on Federal lands. To date, funds have not been appropriated under this authority.

Sawmill Improvement Program

14. Question.--I understand your Sawmill Improvement Program which was initiated in fiscal year 1974 has been progressing well. Would you tell me what specific accomplishments have resulted from this program? Is additional funding desirable for it?

Answer.--Since the beginning of the Sawmill Improvement Program, which is less than two years old, 352 mills throughout the Nation have been evaluated. These mills combined produce approximately 4.5 billion board feet of softwood lumber per year. This is nearly 14 percent of the total softwood lumber produced in the United States last year. The evaluations show an opportunity for increasing lumber recovery from the same volume of logs of approximately 13 percent through improved quality control alone.

We have just begun the reevaluation program whereby we go back to mills we evaluated earlier. This is done to determine if any changes have been made as a result of our initial contact. These mills are chosen by a random selection method. To date, we have reevaluated 27 mills. These mills show an average improvement in volume recovery

from quality control alone of about five percent. We think these early results are very good and extremely encouraging.

Additional funding of $250,000 would be very helpful to continue and expand this program. We plan to put more emphasis on reevaluation so this will reduce the number of new evaluations we will be able to do. We are also currently developing an evaluation program that will apply to hardwood producing mills. We have received several requests from hardwood producers for this service. This will reduce our effectiveness in working with the softwood mills, if we do not receive additional funds.

We need to expand the Sawmill Improvement Program to provide more detailed information. Many sawmill operators that have received assistance through this program want to do more than improve quality control of the manufacturing process. They want to consider changing equipment and sawing procedures. To do this, they need more information on log and lumber quality and value, costs of processing, and costs and availability of equipment. Improvements in this area would generate even greater wood recovery.

Urban and Community Forestry

15. Question.--In 1972 the Forest Service was authorized but not funded to provide technical services in urban and community forestry. What opportunities are there and how much demand is there for providing such services? What funding could be utilized for an effective program?

Answer.--Public Law 92-288 amended the Cooperative Forest Management Act to provide the protection, improvement, and establishment of trees and shrubs in urban areas, communities, and open spaces. The necessary authorization for an urban forestry program was included in the Act. The program has not been funded as yet.

The need for an urban and community forestry program has been apparent for many years. It is well documented that properly maintained trees and plants contribute greatly to the quality of community life. The tempering effects that trees and plants have on climate, noise, and air pollution, and also the benefits of the associated open space for recreation, are values that are a necessity in urban life. An urban and community forestry program will assist in providing these benefits in city neighborhoods and in suburbia, as well as in the inner city where the need is critical.

Over 150 million people live in urban areas. More than 70 million people live in 20,372 cities of less than 50,000 population. All these urban dwellers could benefit from an urban and community forestry program.

The National Association of State Foresters has indicated that a $2 million Federal appropriation in fiscal year 1976 would give a good start to an urban forestry program. These Federal dollars, by law, must be matched by State funds.

Timberline Lodge

16. Question.--What is the status of your efforts to improve Timberline Lodge in Oregon? What is the next step as far as funding is concerned? When will additional planning and/or construction funds be needed?

Answer.--The wing addition is essentially complete and is now usable. The lodge itself is still experiencing deterioration caused by large numbers of winter visitors and skiers.

We are currently studying the long-term management directions for Timberline Lodge. This reassessment was, in part, responsive to a construction program developed in the late 1960's. As initially conceived, there was need for a day lodge, convention and storage wing, maintenance building, employee quarters, and modification of the lodge.

The maintenance building and convention wing have been completed. Separate employee quarters have been dropped from the plan. Currently under consideration is the day lodge and a permittee proposal to construct 60 additional overnight rooms. We have not yet made a determination on these matters. A draft environmental impact statement has been prepared, and the final statement is in the process of being prepared. Until the final statement is filed with the Council on Environmental Quality, we cannot say what will be done at the lodge.

If the decision is to proceed with the day lodge, there would be a need for about $3 million. Initially, about $150,000 for planning would be needed in fiscal year 1977. The day lodge would require about $2.5 million in fiscal year 1978. In fiscal year 1979, there would be a need for about $350,000 to landscape the area and restore the lodge interior to its original conformation. About $200,000 would also be needed to construct a retaining wall at the parking lot to ease the snow removal and parking problems. It would also provide for safe use of the main access road. These funds could be used anytime.

As stated earlier, this is dependent on the decisions following the National Environmental Policy Act process. The funding and planning needs are, therefore, only reflective of those decisions favoring additional development.

Oregon Dunes National Recreation Area

17. Question.--What is the funding situation for the Oregon Dunes National Recreation Area? Can additional funds be utilized at this time for land acquisition and development of the area? If so, how much and for what specific purposes?

Answer.--The Forest Service budget request for fiscal year 1976 includes $450,000 in the Land and Water Conservation Fund for acquisition in the Oregon Dunes National Seashore. This amount is adequate for this purpose. The next needed step is to complete site development and construction plans for the improvements proposed in the Oregon Dunes Recreation Management Plan. This work is estimated to cost $85,000 and could be done if funds become available. They are not included in the fiscal year 1976 budget proposal.

Campgrounds in Oregon

18. Question.--How many campgrounds does the Forest Service operate in Oregon? Will any of these be closed due to funding problems this year? If so, what efforts would be necessary to open these facilities? Could you provide a district-by-district breakdown for Oregon?

Answer.--The Forest Service has 666 campgrounds in the National Forests in Oregon. Last year, 12 sites were eliminated and 16 others were closed because funding was inadequate to operate and maintain them in safe and sanitary condition. The funding requested for fiscal year 1976 will provide about a 10 percent increase in recreation operation and maintenance activities. This increase will hardly match inflationary labor and materials cost increases. Consequently, we anticipate the need to reduce some services; reduce the season of use in some campgrounds; and effect some partial or complete closures of selected facilities. We are unable to predict exactly which sites will be closed, but they will be those having low use, low cost effectiveness, or facilities subject to specific safety hazards that cannot be economically corrected.

Our recreation information management records show a substantial backlog of needs to maintain, rehabilitate, or replace unsafe, inadequate or otherwise unsatisfactory facilities in developed recreation sites. Correction of this backlog Service-wide will cost about $88,109,000; corrections in the State of Oregon will cost about $8,124,000.

CONSTRUCTION DEFERRALS

Senator ROBERT C. BYRD. As to construction, your biggest single budget reduction comes in your construction and land acquisition account—down $16.8 million. Tell us how the decision was reached to reduce this job-producing program in which you have an admitted backlog.

Mr. MCGUIRE. The assumption here is that the deferral request now before Congress will be approved and the deferred moneys will be carried over and become available in fiscal 1976.

Senator ROBERT C. BYRD. Well, I think Senator Hatfield has already exploded that theory, at least as it deals with rescissions. Don't you think the same theory will hold up with respect to deferrals?

Mr. MCGUIRE. We really don't know. It would take some positive action here, I guess, by Congress.

Senator ROBERT C. BYRD. Is it your intention to move forward with all of the deferred construction projects added by Congress in fiscal year 1976?

Mr. MCGUIRE. That is correct, Mr. Chairman.

Senator ROBERT C. BYRD. Why do you wait for the next fiscal year when much of the summer construction season has already passed?

Mr. MCGUIRE. The rationale here was to hold down Federal expenditures during the inflationary period. This budget was prepared at a time when that thought was uppermost in our minds.

Senator ROBERT C. BYRD. I am not sure you have answered my question. Why do you wait for the next fiscal year when much of the summer construction season has already passed?

Mr. MCGUIRE. This deferral will probably result in a 1-year deferral of the whole project which means we lose a season, but we recognized that at the time we considered the deferral. As I say, the rationale was to hold down expenditures in general and construction seemed to be the kind of candidate for projects that could be deferred.

Senator ROBERT C. BYRD. Would you say that is a general principle that construction is the prime candidate for items that can be deferred?

Mr. MCGUIRE. I think as a general principle it is one of the first things that comes to mind when you talk about putting things off a year because these are quite discrete projects whereas you can't frequently defer other types of work that are sort of tenuous. It wouldn't be possible to do that with such items as timber sale preparation or recreation cleanup, for example.

CONSTRUCTION BACKLOG

Senator ROBERT C. BYRD. The restrained construction program is bound to have an impact on your long-range development needs. What is the estimated development backlog of more pressing needs at this time for the national forests?

Mr. MCGUIRE. The construction backlog of more pressing needs at this time for the national forests would be about $39.8 million for recreation use and water-related developments, and $27.1 million for fire, administration, and other purposes facilities, or a total of $66.9 million. The projects include funds for necessary pollution abatement facilities.

Of this total, there is included in the budget before you, an amount of $12.9 million for fiscal year 1976 and $10.6 million for the transition period.

MONONGAHELA NATIONAL FOREST

Senator ROBERT C. BYRD. Would you prepare and furnish for the record a summary of all ongoing special projects underway or proposed within the Monongahela National Forest in West Virginia?

Mr. MCGUIRE. We will be glad to do that.

WORK PROGRAMS IN MONONGAHELA NATIONAL FOREST

Senator ROBERT C. BYRD. I would like for the summary to include a description of each project within the Monongahela National Forest, a description of the ongoing or proposed work, the time required to complete the work, and the cost involved for each project. I would also like to show how much, if any, was included in your fiscal year 1976 budget for this work and what funding beyond the fiscal year 1976 budget will be required for first year financing costs.

Mr. MCGUIRE. We will be glad to provide that, Mr. Chairman.

Senator ROBERT C. BYRD. You will attend to each of the detailed areas of my question?

Mr. MCGUIRE. We will do that.

[The information follows:]

51-957 O - 75 - pt. 3 - 44

Arrowhead Lake Recreation Complex
Spruce Knob-Seneca Rocks National Recreation Area
Monongahela National Forest
Pendleton County, West Virginia

	In F.Y. 1976 Budget Request	Additional Increment for F.Y. 1976
1. Appropriation Item and Projects:		
Construction and land acquisition:		
Development of recreation-public use areas	None	$99,000

2. Feasibility and Desirability:

This proposed 70 surface acre lake is a U.S. Forest Service-SCS cooperative project located in the Potomac River Basin, 2 miles southwest of Upper Tract, West Virginia. The construction of this impoundment is the key item in developing the Arrowhead Lake Recreation Complex, one of five recreation complexes planned to meet the future demand for recreation in the Spruce Knob-Seneca Rocks Recreation Area. Proposed facilities include a 40 unit campground, a 50 unit picnic area, swimming beach for 250 people at one time, boat launching area, dock, and fisherman parking facilities.

In addition to providing water-based recreation, the impoundment and dam will be designed with flood control features. This proposed impoundment is identified as Reeds Creek-Site No. 6 in the South Branch Subwatershed of the Potomac River Watershed Work Plan prepared and approved for operation, March 1971, by the SCS. The SCS is currently evaluating geologic data to determine design of the structure and pool area.

3. Description of Work:

Cooperate with the SCS in the planning and financing of design and construction of the dam.

Environmental analysis for recreation facility development.

Site planning and engineering design associated with the development of recreation sites and facilities.

Construction of recreation facilities, including trails.

4. Time Required for the Project:

Design and construction of dam, if geologically feasible, 3 years (F.Y. 1976-1979)
Construction of roads and recreation facilities, 4 years (F.Y. 1978-1982)
Total project could be completed in 7 years.

5. First Year Cost Estimates and Items of Construction:

Item	In F.Y. 1976 Budget Request	Additional Increment for F.Y. 1976	Total
*Design of dam structure (FS cost share: 32.8%)	None	$48,000	$48,000
Planning and design of recreation facilities at forest level	None	41,000	41,000
Detailed geologic study	None	10,000	10,000

6. Other Costs:

	C&LA	FR&T
In fiscal year 1977 prepare final design and construction plans for recreation facilities	$75,000	$53,000
*In fiscal year 1977 FS share of dam construction .	724,000	- -
Fiscal year 1978-1979 construction of roads and parking	- -	500,000
Fiscal year 1978-1982 construction of recreation facilities	850,000	- -

7. Accomplishments to Date:

The preliminary recreation master plan has received tentative Regional Office approval. Acquisition of land needed for project has been completed in fiscal year 1974. SCS has completed preliminary geologic study for dam and impoundment, but more detailed study is indicated and on-going.

8. Number of Personnel:

One landscape architect and one engineer.

*FS share of cost-sharing items (FS-SCS Memorandum of Understanding):

1976 - Perhaps FS share of geologic study	$10,000
1976 - Design of dam structure	48,000
1977 - Dam construction	724,000

Blue Bend Recreation Area
Monongahela National Forest
Greenbrier County, West Virginia

	In F.Y. 1976 Budget Request	Additional Increment for F.Y. 1976
1. Appropriation Item and Projects:		
Construction and land acquisition:		
Development of recreation-public use areas	None	$16,000

2. Feasibility and Desirability:

Blue Bend Recreation Area is located 10 miles north of White Sulphur Springs, West Virginia. This recreation area was constructed in the mid-30's under the CCC program. The water system and bath house facilities constructed during that period now need replacement to avoid high maintenance and to assure water quality and pollution control. The area has a 22 unit campground, 25 unit picnic ground, large picnic shelter, and a swimming site along Anthony Creek for 150 people at one time. Total facility will serve 500 people at one time.

3. Description of Work:

Engineering design of a new water system.
Architectural design of a bath house to replace two substandard bath house structures.
Construction of a new water system which includes drilling a well.
Landscaping associated with replacement facilities.
A study of the existing septic tank sewage system for bath houses may disclose the need for a new sewage disposal or treatment system.

4. Time Required for the Project:

This project could be completed in 2 years.

5. Estimated Cost:

Total cost of the project is $169,500.

6. First Year Cost Estimates:

Item	In F.Y. 1976 Budget Request	Additional Increment for F.Y. 1976
Engineering design of water system	None	$11,000
Design and site plan for bath house	None	5,000

7. Other Costs:

	F.Y. 1977
Drill well and replace water system	$70,000
Replace bath houses (2)	70,000
Replace 2 existing pit toilets with vaults	10,000
Landscaping	3,500

8. Accomplishments to Date:

Preliminary engineering studies of the existing water system, including geology report on subsurface water sources and pollution control, have been completed. Additional information will be needed.

9. Number of Personnel:

No additional.

Big Bend Campground, Spruce Knob-Seneca Rocks National Recreation Area
Monongahela National Forest
Pendleton County, West Virginia

	In F.Y. 1976 Budget Request	Additional Increment for F.Y. 1976
1. Appropriation Item and Projects:		
a. Construction and land acquisition: Development of recreation-public use areas	None	$10,000
b. Forest roads and trails construction	None	4,000

2. Feasibility and Desirability:

Big Bend Campground is located in the National Recreation Area approximately 8 miles north of Upper Tract, West Virginia. Its purpose is to serve as a jumping-off point to the Smoke Hole Pioneer Zone and to provide expanded camping facilities in an area where the existing campground is small (12 units) and over-used.

3. Description of Work:

Additional trail construction, signing, and landscape planting is needed to complete campground construction. Other work items needed to complete the project include restoration of the log cabin post office and construction of a foot bridge across the South Branch of the Potomac River to the Smoke Hole Pioneer Zone.

4. Time Required for the Project:

This project could be completed in 3 years.

5. Estimated Cost:

Total cost of completing the project is $54,000.

6. First Year Cost Estimates and Items of Construction:

Item	In F.Y. 1976 Budget Request	Additional Increment for F.Y. 1976	
		C&LA	FR&T
Complete foot bridge design	None		$1,000
Restore historical post office building	None	$10,000	
Complete trail construction	None		3,000

7. Other Costs:

	F.Y. 1977
Construct foot bridge (FR&T)	$40,000

8. Accomplishments to Date:

Major campground facilities, including interior roads, utilities, and 50 camp units have been constructed. Construction of trails, signing, and landscape planting around camp units is partially complete.

A fisherman-hiker parking lot and well located at the east end of the proposed foot bridge have also been constructed.

Trail is approximately one-third completed.

9. Number of Personnel:

No additional.

Horseshoe Recreation Area
Monongahela National Forest
Tucker County, West Virginia

	In F.Y. 1976 Budget Request	Additional Increment for F.Y. 1976
1. Appropriation Item and Projects:		
Construction and land acquisition: Development of recreation-public use areas	None	$37,000

2. Feasibility and Desirability:

Horseshoe Recreation Area is located 8 miles northeast of Parsons, West Virginia. Major facilities include a 10 unit campground, 12 unit picnic ground, group picnic shelter, playground, and a swimming site for 100 people at one time. The water and sanitation facilities were constructed in the mid-30's under the CCC program. Replacement of the facilities is needed to avoid high maintenance and assure high standards for water quality and pollution control.

3. Description of Work:

Planning and design of water and sanitation systems to serve existing recreation facilities.

Construction of water and sanitation systems.

Landscaping associated with water and sewage line construction.

Replace dam at swimming area - high priority as existing dam was washed out in recent floods.

4. Time Required for the Project:

This project could be completed in two years.

5. Estimated Cost:

Total project cost is $198,000.

6. First Year Cost Estimates and Items of Construction:

Item	In F.Y. 1976 Budget Request	Additional Increment for F.Y. 1976	Total
Plan and replace dam at swimming area	None	$20,000	$20,000
Plan and design water and sanitation systems	None	17,000	17,000

7. Other Costs:

	F.Y. 1977
Construct water system	$65,000
Construct sanitation system	90,000
Landscaping	6,000

8. Accomplishments to Date:

The recreation site plan has been revised to reflect facility replacement needs.

Preliminary engineering studies of the existing water and sanitation systems, including soil scientist and geologist reports, have been completed.

9. Number of Personnel:

No additional.

Lake Buffalo
Monongahela National Forest
Pocahontas County, West Virginia

1. Appropriation Item and Projects:

	In F.Y. 1976 Budget Request	Additional Increment for F.Y. 1976
a. Construction and land acquisition:		
Water resource development construction	None	$24,000
Development of recreation-public use areas	None	7,000
b. Forest roads and trails construction	None	33,000
Total, F.Y. 1976		64,000

2. Feasibility and Desirability:

Lake Buffalo, 21 acres in size, is located 5 miles east of Bartow, West Virginia. Its purpose is to supplement low flow of the East Fork of the Greenbrier River for industrial purposes and to provide water-based recreation. Phase I facilities include construction of a 12-car parking area; Phase 2 includes construction of a boat launch and dock area with a 20-car parking area at upper end of the lake. Phase 3 is the possible development of a 22 unit campground and 22 unit picnic area to be constructed when the need is demonstrated.

An environmental analysis of the proposed picnic and campground is needed prior to Phase 3 construction. This will determine if facilities are to be constructed.

The addition of filter material to the toe of dam structure is urgently needed in fiscal year 1976.

3. Description of Work:

Add filter material to toe of dam.

Phase 2 - Construction of roads, road bridge, parking, and dock facilities associated with boat launch site, plus campground and administrative site design.

Phase 3 - Construction of roads and recreation facilities associated with administrative site and campground. These needs will be determined by environmental analysis.

4. Time Required for the Project:

Phase 2 of this project could be completed in 2 years.

5. Total Estimated Cost:

To be determined after preparation of environmental analysis.

6. First Year Cost Estimates and Items of Construction:

Item	In F.Y. 1976 Budget Request	Additional Increment for F.Y. 1976	Total
Add filter material to toe of dam	None	$24,000	$24,000
Design of roads, road bridges, and parking (FR&T)	None	33,000	33,000
Preliminary planning and design of recreation facilities	None	5,000	5,000
Environmental analysis	None	2,000	2,000

7. Other Costs:

	C&LA	FR&T
Phase 2 design and construction (F.Y. 1978)	$40,000	$215,000

8. Accomplishments to Date:

Construction of the 12-car fisherman parking area, vault toilets, signing, and other work items associated with Phase I are complete.

Preliminary design of the road and road bridge for Phase 2 is complete.

9. Number of Personnel:

No additional.

Lake Sherwood Recreation Area
Monongahela National Forest
Greenbrier County, West Virginia

	In F.Y. 1976 Budget Request	Additional Increment for F.Y. 1976
1. Appropriation Item and Projects:		
Construction and land acquisition: Development of recreation-public use areas	None	$36,000

2. Feasibility and Desirability:

Lake Sherwood is a 165 surface acre lake located 25 miles northwest of White Sulphur Springs, West Virginia. Developed sites include a 97 unit campground, 50 unit picnic ground, swimming beach for 500 people at one time, boat launch and docking area, foot trails, and an administrative site. People-at-one-time capacity is 1,235.

The Lake Sherwood campgrounds receive about 100,000 visitor-days of use annually. Replacement of 6 pit toilets with vaults in West Shore Campground for off-season use and rehabilitation of 97 camp units is needed in this heavily used camping area.

Grading of the downstream toe of the dam structure is needed in fiscal year 1976 to prevent deterioration of the dam.

Repair of the dam gate in fiscal year 1976 is coordinated with the West Virginia Department of Natural Resources fishery program for the lake.

3. Description of Work:

Repair of the dam gate and grading of the downstream toe of dam.

Replacement of 6 pit toilets with 2-4 unit vaults in West Shore Campground and rehabilitation of 97 camp units.

Planning and design of a 50 unit campground, playground area, including parking, and an amphitheater site.

4. Time Required for the Project:

This project could be completed in 4 years.

5. Estimated Cost:

Total cost to be determined after design reports.

6. First Year Cost Estimates and Items of Construction:

Item	In F.Y. 1976 Budget Request	Additional Increment for F.Y. 1976	Total
Grade and repair downstream toe of dam	None	$7,000	$7,000
Install 2-4 unit vault toilets in West Shore Campground	None	20,000	20,000
Repair dam gate	None	9,000	9,000

7. Other Costs:

	F.Y. 1977 C&LA	F.Y. 1977 FR&T	Total
Planning and design of 50 unit campground, playground, and amphitheater site	$33,000	$18,000	$51,000

	F.Y. 1978-1979 Recreation	F.Y. 1978-1979 FR&T	Total
Construction of 50 unit campground	$313,000	$198,000	$511,000
Construct playground/amphitheater site	No estimate at this time		

8. Accomplishments to Date:

Campground sewage system construction is complete. The scheduling of dam gate repairs in fiscal year 1976 has been coordinated with West Virginia Department of Natural Resources.

9. Number of Personnel:

No additional.

Seneca Rocks Recreation Complex, Spruce Knob-Seneca Rocks
National Recreation Area
Monongahela National Forest
Pendleton County, West Virginia

	In F.Y. 1976 Budget Request	Additional Increment for F.Y. 1976
1. Appropriation Item and Projects:		
Construction and land acquisition:		
Development of recreation-public use areas	None	$797,000 1/

2. Feasibility and Desirability:

The Seneca Rocks Recreation Complex is located in the National Recreation Area at the Mouth of Seneca, West Virginia. This is a key development in the National Recreation Area since Seneca Rocks, a famous landmark, is located within the boundaries of this recreation complex. Planned facilities include a Visitor Center, 50 unit picnic ground, group picnic area, 80 unit campground, amphitheater, and administrative site. The total capacity of this Complex is 1,235 people at one time.

Completion of the Visitor Center building and construction of the utilities, VIS exhibits, walks, observation patio, landscaping, and signing are needed for the Center to become operational.

3. Description of Work:

Phase I - Complete Visitor Center building, utilities, landscaping, VIS planning, construction and installation of exhibits, audio-visual equipment and program, and other VIS facilities, also final planning for Picnic Ground.

Phase II - Construct Picnic Ground Site No. 46.5, plus campground and group picnic planning; also O&M Plan for Visitor Center.

Phase III - Construct roads and parking for group picnic and amphitheater sites, including group picnic shelters, utilities, and landscaping.

Phase IV - Construct 80 unit campground.

Phase V - Construct administrative site.

Phase VI - Construct 20 unit campground expansion site and amphitheater.

4. Time Required for the Project:

Phase I could be completed in 2 years.

The entire recreation complex project could be completed in 10 years.

5. Estimated Cost:

Total cost of this recreation complex project is estimated at $3,227,000, of which $2,562,000 is for recreation construction (C&LA) and the balance of $665,000 is for roads (FR&T).

6. First Year Cost Estimates and Items of Construction:

Item	In F.Y. 1976 Budget Request	Additional Increment for F.Y. 1976	Total	PAOT
Phase I				
Complete construction of Visitor Center Building, including engineering construction supervision	None	$215,000 2/	$215,000 2/	85
Construct water and sanitation systems for Visitor Center and picnic ground, including engineering construction and supervision - water system $115,000 sewage system 214,000 (includes system of school)	None	329,000	329,000	
VIS exhibits, audio-visual equipment and program, interpretive facilities	None	125,000	125,000	
Landscaping of Visitor Center, includes construction of walks, observation patio, electric fixtures in parking lots, grading, seeding, tree and shade planting, and trail construction	None	84,000 3/	84,000 3/	
Planning - VIS, LA and Engineering planning design of other sites in Complex and environmental analysis	None	44,000	44,000	

7. Other Costs:

	C&LA	FR&T
Phase II - F.Y. 1977	$180,000	- -
Phase III - F.Y. 1978	365,000	$130,000
Phase IV - F.Y. 1979-1980	715,000	365,000
Phase V - F.Y. 1981-1982	230,000	75,000
Phase VI - F.Y. 1983-1984	275,000	95,000

Note: Phase III, IV, V, and VI cost estimates are based on best estimates only; subject to change as site plans are developed.

8. Accomplishments to Date:

Recreation master plan for the Complex and site plans for the Visitor Center and Picnic Ground (Site No. 46.5) have been approved by the Regional Office.

Interpretive plans and detailed landscape plans for the Visitor Center are being finalized for Regional Office approval.

Engineering design of the water and sanitation systems for the Visitor Center and associated picnic ground is complete.

Construction of roads and parking for the Visitor Center and associated picnic ground, Site No. 46.5, is complete

Construction of the Visitor Center Building is 65 percent complete.

Preparation of contract construction package for installation of electric power for the Visitor Center and a portion of associated picnic area is nearing completion, with an expected installation completion date of summer of 1975, as financed with fiscal year 1975 money.

9. Number of Personnel:

No additional.

1/ $275,000 included in transition period 7/1/76-9/30/76.
2/ Amount included in transition period 7/1/76-9/30/76.
3/ $60,000 included in transition period 7/1/76-9/30/76.

Smoke Hole Recreation Area, Spruce Knob-Seneca Rocks National Recreation Area
Monongahela National Forest
Pendleton County, West Virginia

1. Appropriation Item and Projects:	In F.Y. 1976 Budget Request	Additional Increment for F.Y. 1976
a. Construction and land acquisition: Development of recreation-public use areas ..	None	$42,000
b. Forest roads and trails construction	None	224,000

2. Feasibility and Desirability:

The Smoke Hole Recreation Area is located in the National Recreation Area, approximately 17 miles north of Franklin, West Virginia, along the South Branch of the Potomac River. It includes a 12 family unit campground, 32 unit picnic ground, and swim site along the river. This has been a very popular recreation area for both local and long distance visitors. Hurricane Agnes in 1972 completed the destruction of the bridge across the South Branch which served the picnic ground and swim site. The campground is still receiving heavy use.

The bridge was originally constructed in the mid-30's and has washed out several times. The picnic ground, swim site, and water and sanitation system were constructed in the late 30's. The Smoke Hole Campground was considerably improved during the Accelerated Public Works Program in 1962 - 1963. However, little work other than routine maintenance has been done to the water system.

3. Description of Work:

Reconstruct water and sanitation system to serve campground, picnic ground, and swim site.

Construct new road bridge across South Branch of the Potomac to serve picnic ground and swim site.

Rehabilitate picnic ground facilities, including shelter and two bath houses.

4. Time Required for the Project:

This project could be completed in 2 years.

5. Estimated Cost:

Total project cost is $266,000.

6. First Year Cost Estimates and Items of Construction:

Item	In F.Y. 1976 Budget Request	Additional Increment for F.Y. 1976 C&LA	Additional Increment for F.Y. 1976 FR&T	Total
Plan and replace all water lines and install new pressure system	None	$40,000	- -	$40,000
Rehabilitate picnic ground and swim site (planning only)	None	$2,000	- -	$2,000
FR&T road bridge design	None	- -	$12,000	12,000
Construct road bridge	None	- -	212,000	212,000

7. Accomplishments to Date:

Aerial mapping and Engineering Site Survey needed for design of the bridge is complete.

8. Number of Personnel:

No additional.

Spruce Knob Scenic Drive, Spruce Knob-Seneca Rocks National Recreation Area
Monongahela National Forest
Pendleton County, West Virginia

	In F.Y. 1976 Budget Request	Additional Increment for F.Y. 1976
1. Appropriation Item and Projects:		
Forest roads and trails construction	None	$25,000

2. Feasibility and Desirability:

The Spruce Knob Scenic Drive will be the major public access to the Spruce Knob Unit of the Spruce Knob-Seneca Rocks National Recreation Area. Approximately 23 miles in length, it provides access from U.S. Highway 33 near Harper's Mill, Pendleton County, up to Spruce Knob and continues to State Route 28 near Elk Mountain School and the Pendleton-Pocahontas County Line. Approximately 19 miles of this 23-mile road generally follow existing Forest Roads 11 and 55. This 23 mile project has been phased into construction sections approximately 4 miles each. Section 1 (4.77 Miles) and Section 2 (4.02 Miles) have been designed by an engineering consultant and are awaiting funds for construction. However, an environmental analysis is required for the entire road before commencing with construction.

3. Description of Work:

Prepare an environmental analysis for the project.

Survey and design of Section 3 (4.7 miles).

Land acquisition of tracts needed for road construction and roadside recreation facilities.

Survey and design for 10.5 miles, sections 4, 5, and 6; and construction of 23 miles of road.

4. Time Required for the Project:

This project could be constructed in 7 years.

5. Estimated Cost:

Cost of the entire project is estimated at $19,715,000.

6. First Year Cost Estimates and Items of Construction:

Item	In F.Y. 1976 Budget Request	Additional Increment for F.Y. 1976	Total
Prepare environmental analysis	None	$25,000	$25,000

7. Other Costs:

F.Y. 1977	
Engineering survey of Section 3 from West Virginia 28 at "Birthplace of Rivers" to Warner's tract boundary	$60,000
Construction of Section 1 from Warner's Store to Judy Springs Road (4.77 miles)	2,550,000
F.Y. 1978	
Construction of Section 2 from Judy Springs Road to roadside overlook south of Spruce Knob (4.0 miles)	3,025,000
Design of Section 3 (4.7 miles)	50,000
Engineering survey of Section 4 from Warner's tract boundary to Warner's Store (3.0 miles)	50,000
F.Y. 1979	
Construction of Section 3 (4.7 miles)	3,390,000
Design of Section 4 (3.0 miles)	50,000
Engineering survey of Section 5 Blizzard Run (4.0 miles)	50,000
F.Y. 1980-1981	
Construction of Section 4 (3.0 miles)	3,025,000
Design of Section 5 (4.0 miles)	60,000
Survey of Section 6, Blizzard Run (3.5 miles)	60,000
F.Y. 1982-1983	
Construction of Section 5 (4.0 miles)	3,630,000
Design of Section 6 (3.5 miles)	60,000
F.Y. 1984	
Construction of Section 6 (3.5 miles)	3,630,000
Total Cost	19,690,000

8. Accomplishments to Date:

Road design has been completed for Section 1 (4.77 miles) and Section 2 (4.02 miles) by an Engineering Consultant in 1967.

9. Number of Personnel:

No additional.

Spruce Knob Lakes Recreation Complex
Spruce Knob-Seneca Rocks Recreation Complex
Randolph County, West Virginia

	In F.Y. 1976 Budget Request	Additional Increment for F.Y. 1976
1. Appropriation Item and Projects:		
Construction and land acquisition: Development of recreation-public use areas ...	None	$63,000

2. Feasibility and Desirability:

The Spruce Knob Lakes Recreation Complex is located in the southeastern part of Randolph County about 5 miles southwest of Spruce Knob. It is outside but adjacent to the National Recreation Area boundary and will be developed and managed in the manner spelled out in the approved Spruce Knob-Seneca Rocks National Recreation Area Plan.

According to the original management plan for the National Recreation Area, proposed major development will be centered around six lakes, one of which--Spruce Knob Lake--is existing. Facilities planned include 318 camp units, 135 picnic units, a swimming beach, boat launch ramps, trails, fisherman-hiker parking, and an administrative site.

Preliminary feasibility studies indicate Lake of the Clouds, Gandy, and a combined Osprey and Beaver Lake are feasible for construction. Based on water flow and other environmental considerations, Hidden Lake, Osprey Lake, and Beaver Lake individually are not feasible for lake development.

Feasibility studies for Gandy and Osprey-Beaver Lakes are urgently needed to complete land acquisition and recreation master planning.

3. Description of Work:

Phase 1: Complete feasibility studies for Gandy Lake and combination Osprey-Beaver Lake, and preliminary recreation master planning associated with Lakes Complex. Complete land acquisition of tracts needed for protection of planned recreation development at Gandy Lake. Write environmental analysis.

Phase 2: Preliminary design of Osprey-Beaver and Gandy Lake. Construct Lake of the Clouds dam and associated recreation facilities, including roads and parking.

4. Time Required for the Project:

Phase 1 of project could be completed in one year.

Total time needed to complete project is pending results of completed feasibility studies.

5. Estimated Cost:

The entire project development for the entire Lakes Complex, originally estimated in the National Recreation Management Plan at $4,680,000 as a preliminary estimate, will be revised as additional feasibility studies and planning disclose firmer estimates.

6. First Year Cost Estimates and Items of Construction:

Item	In F.Y. 1976 Budget Request	Additional Increment for F.Y. 1976	Total
Complete feasibility studies for Gandy and Osprey-Beaver Lake sites	None	$30,000	$30,000
Preliminary recreation master plan associated with Lakes Complex	None	10,000	10,000
Environmental analysis	None	23,000	23,000

7. Other Costs:

Phase 2 - F.Y. 1978	
Preliminary and final design of Osprey-Beaver and Gandy Lake Dams	$45,000
Construction of Lake of the Clouds Dam, including grading of pool area	1,430,000
Final master and preliminary site planning for Gandy Lake recreation facilities	22,000
Phase 3 - F.Y. 1979-1980	
Construct Lake of the Clouds roads and parking (FR&T)	152,000
Construct Lake of the Clouds recreation facilities	65,000
Final site planning for Gandy Lake, preliminary master planning and site planning for Osprey-Beaver Lake	No estimate at this time
Phase 4 - F.Y. 1981+ or later	
Final site planning for Osprey-Beaver Lake	No estimate at this time
Construct Gandy Lake and associated roads and recreation facilities	No estimate at this time
Construct Osprey-Beaver Lake and associated roads and recreation facilities	No estimate at this time

8. Accomplishments to Date:

Core drilling for feasibility studies on Osprey-Beaver Lake dam site and Gandy Lake dam to be completed in 1975.

The feasibility report and design of the dam structure for Lake of the Clouds is complete.

The recreation master plan for Lake of the Clouds is 90 percent complete.

Land acquisition needed for feasibility studies of Gandy and Osprey-Beaver Lakes is complete.

9. Number of Personnel:

No additional.

Spruce Knob Lake, Spruce Knob-Seneca Rocks National Recreation Area
Monongahela National Forest
Randolph County, West Virginia

	In F.Y. 1976 Budget Request	Additional Increment for F.Y. 1976
1. Appropriation Item and Projects:		
Construction and land acquisition:		
Development of recreation-public use areas	None	$73,000

2. Feasibility and Desirability:

Spruce Knob Lake is a 25 surface acre lake located about 5 miles southwest of the Spruce Knob high point. It is the only existing lake of the six proposed in the Spruce Knob Lakes Complex. The lake was opened in 1952 and since then the shoreline has become severely eroded from heavy use. Shoreline erosion has now reached an intolerable level. Trail locations and water depth along the shoreline cannot be maintained under present conditions.

3. Description of Work:

Plan and design of shoreline repairs, rip-rap and trail construction along the toe of dam structure, shoreline repair construction, and landscaping.

4. Time Required for the Project:

This project could be completed in one year.

5. Estimated Cost:

Total cost for completing project is $73,000.

6. First Year Cost Estimates and Items of Construction:

Item	In F.Y. 1976 Budget Request	Additional Increment for F.Y. 1976	Total
Planning and design of shoreline repair ..	None	$6,500	$6,500
Shoreline repair construction	None	27,000	27,000
Landscaping for erosion control	None	3,500	3,500
Riprap dam structure	None	36,000	36,000

7. Other Costs:

None.

8. Accomplishments to Date:

A preliminary engineering report indicating the amount and type of construction needed has been accomplished along with preliminary field reviews of the proposed construction.

9. Number of Personnel:

No additional.

Stuart Recreation Area
Monongahela National Forest
Randolph County, West Virginia

	In F.Y. 1976 Budget Request	Additional Increment for F.Y. 1976
1. Appropriation Item and Projects:		
Construction and land acquisition:		
Development of recreation-public use areas ...	None	$16,000

2. Feasibility and Desirability:

Stuart Recreation Area is located 5 miles east of Elkins, West Virginia. Major facilities include a 27 unit campground, a 47 unit picnic ground, group picnic shelters, and a swimming site along the Cheat River for 200 people at one time. Stuart Recreation Area was constructed during the CCC period, and many existing facilities do not meet today's standards for abating pollution.

Replacement of the water system is needed.

In addition, two bath house buildings serving the swimming site should be replaced.

3. Description of Work:

Design and construction of water system and replacement of bath houses.

4. Time Required for the Project:

This project could be completed in 2 years.

5. Estimated Cost:

Total cost of the project is $151,500.

6. First Year Cost Estimates and Items of Construction:

Item	In F.Y. 1976 Budget Request	Additional Increment for F.Y. 1976	Total
Design of water system and bath house rehabilitation plan	None	$16,000	$16,000

7. Other Costs:

	F.Y. 1977	F.Y. 1978
Construct water system	$65,500	
Replace two bath houses		$70,000

8. Accomplishments to Date:

Preliminary locations for new and replacement facilities in the campground are indicated on the recreation site plan.

An Engineering report based on geologic and soil studies has been completed for the proposed water system.

Replacement of pit toilets with vault toilets in the campground has been completed for pollution abatement.

9. Number of Personnel:

No additional.

Summit Lake Recreation Area
Monongahela National Forest
Greenbrier County, West Virginia

	In F.Y. 1976 Budget Request	Additional Increment for F.Y. 1976
1. Appropriation Item and Projects:		
a. Construction and land acquisition: Development of recreation-public use areas	None	$9,000
b. Forest roads and trails construction	None	20,000

2. Feasibility and Desirability:

Summit Lake is a 42 surface acre lake located 7 miles east of Richwood, West Virginia. Its purpose is to supplement the water supply for Richwood and provide water-based recreation. The lake was constructed in 1954. Recreation facilities constructed at that time included a 17 unit campground and minor water, sanitation, and parking facilities. Heavy use of these facilities during the past 18 years has created an intolerable situation for maintaining these recreation facilities. Relocation of recreation sites and reconstruction of roads, parking, and trails is needed to prevent additional erosion and deterioration.

3. Description of Work:

Phase 1 - Design day use and campground facilities.
Phase 2 - Construct entrance and interior road, including parking areas. Construct trail around the lake and connector trails to proposed recreation sites. Construct new campgrounds (35 units), a 10 unit picnic area, and associated water and sanitation facilities.

4. Time Required for the Project:

This project could be completed in 3 years.

5. Estimated Cost:

Recreation Construction total $119,000
FR&T Roads and Parking total 358,000

6. First Year Cost Estimates and Items of Construction:

Item	In F.Y. 1976 Budget Request	Additional Increment for F.Y. 1976	Total
Engineer design of roads and parking	None	$20,000	
Complete site planning	None	9,000	$29,000

7. Other Costs:

	C&LA	FR&T
Phase 2 (F.Y. 1977-1978): Construct roads and parking, including trails associated with lake and recreation sites. Construct 35 unit campground, 10 unit picnic area, boat launching, and parking site	$110,000	$338,000

8. Accomplishments to Date:

Repair of the dam structure is complete.

Preliminary road locations, soil and geology reports for existing and proposed recreation sites have been completed.

The revised recreation master plan indicating rehabilitation and site relocation needs was approved by the Regional Office.

9. Number of Personnel:

No additional.

LABORATORY AT PRINCETON, W. VA.

Senator ROBERT C. BYRD. Two years ago this committee included a total of $660,000 to plan and construct the addition to the Princeton Forest Products Marketing Laboratory in Mercer County, W. Va. What is the status of that construction work at Princeton and what is your estimated completion date?

Mr. MCGUIRE. I will ask Mr. Dickerman to answer that question.

Mr. DICKERMAN. Mr. Chairman, the estimated completion date of the addition to the laboratory at Princeton is October of this year; that is, the completion of the contract that was let under the $660,000. There were several items that we were not able to include in that curtract because of the cost of the building. Our estimate of the items that will be needed to complete that facility includes the addition of the water system, some landscaping, and completion of the testing facilities. These were included in the original estimate but we were not able to include them in the contract. Our figure for these items is approximately $260,000.

Senator ROBERT C. BYRD. So you need $260,000 more?

Mr. DICKERMAN. That's right, sir.

Senator ROBERT C. BYRD. Would you break down the items and the amounts for each?

Mr. DICKERMAN. We will do that, sir.

[The information follows:]

Several items are needed to complete the construction of the Princeton research facility. These items total $260,000 and are composed of a Methods Testing Plant costing $110,000, $50,000 to complete furnishing of the main laboratory, a new water system costing $90,000, and landscaping the main laboratory at a cost of $10,000.

COMPLETION OF PRINCETON LABORATORY

Senator ROBERT C. BYRD. This subcommittee has already marked up a portion of the Emergency Employment Appropriations Act for 1975, and within this bill are included funds for several projects at the Princeton Laboratory which were selected for inclusion by the Forest Service. I believe $290,000 was included in the Forest Products Marketing Laboratory, and these funds are for construction of the water system, landscaping—these are the items you referred to a moment ago. Will this $290,000—what was the figure you used a moment ago?

Mr. DICKERMAN. The estimate was $260,000. We have to adjust these upwards as costs mount.

Senator ROBERT C. BYRD. Well, the $290,000, then, in your judgment, will that complete the additions and take care of all the needs at that location?

Mr. DICKERMAN. That is our best estimate at the present time to complete the facilities.

Senator ROBERT C. BYRD. And the facilities would be completed by October of this year?

Mr. DICKERMAN. The current contract, but not the additional items that we are discussing here.

Senator ROBERT C. BYRD. When would they be completed?

Mr. DICKERMAN. Our best estimate on the items that were listed here would be about 8 to 9 months of construction period.

Senator ROBERT C. BYRD. Beyond what?

Mr. DICKERMAN. Beyond the October date, sir.

Senator ROBERT C. BYRD. I see. About July of next year.

Mr. DICKERMAN. That's right, sir.

Senator ROBERT C. BYRD. Just what will you complete in October of this year?

Mr. DICKERMAN. The main structure that is now under construction would be complete and readied for occupancy.

Senator ROBERT C. BYRD. In October?

Mr. DICKERMAN. In October, sir.

Senator ROBERT C. BYRD. In the event the Emergency Employment Appropriations Act were to be vetoed and not overridden, and this committee has to include these funds in a subsequent appropriations bill, would you please tell the committee, or file for the record, a statement outlining why you consider these additional funds to be necessary and why you were unable to complete the work within your original estimates. Gives us more details.

Mr. DICKERMAN. We will do so.

[The information follows:]

When the addition to the Princeton Laboratory was planned, the $660,000 appropriated was considered adequate to finish the facility. However, several items included as add alternates in the bid package had to be dropped when the bid for the main laboratory exceeded the estimated costs. To provide those items will now cost $260,000. They include $110,000 for Materials Testing Plant, a new water system costing $90,000, $10,000 to landscape the main laboratory and $50,000 to complete furnishing of the main laboratory. These funds will provide the necessary facilities to expedite the research program and complete the site development.

The funds totaling $290,000 for Princeton in the Emergency Appropriations Act for 1975 include the Materials Testing Plant, water system and landscaping totaling $210,000, plus a combination garage-storage building costing $80,000 that was not part of the $660,000 development. The garage-storage building was substituted for the laboratory furnishings portion of the $260,000. This change was made because the laboratory furnishings would not make use of the local labor pool whereas the construction of the garage-storage building would involve local labor.

TROUT POND RECREATION AREA, W. VA.

Senator ROBERT C. BYRD. Last year this committee provided the $289,000 for completion of phase 1 construction at Trout Pond Recreation Area in Hartford County, W. Va. What is the status of that work now?

Mr. NELSON. Senator, it is my understanding that the contract will be let this month for work that was provided in this year's appropriation.

Senator ROBERT C. BYRD. Would you say that again?

Mr. NELSON. It is my understanding that the contract will be let this month for the activities at Trout Pond on the George Washington National Forest in West Virginia.

Senator ROBERT C. BYRD. What are the next proposed developmental phases for Trout Pond, and what are your estimated costs for those phases?

Mr. NELSON. Senator, I would have to provide that for the record.

Senator ROBERT C. BYRD. Could you also provide a brief description of your other recreation areas within the George Washington National Forest in West Virginia, and include a current status report on each?

Mr. NELSON. We will be glad to.

[The information follows:]

Work in progress on the swimming beach at Trout Pond with fiscal year 1975 funds will complete camping, picnicking, and swimming facilities for approximately 500 people-at-one-time. For the future, we have two proposals for additional construction at Trout Pond. Based on 1974 data, one level of expansion would cost $377,600 and the other would cost $552,000.

It is our view, however, that we should defer further development until we are able to see the pattern and amount of use generated by the completed facilities. In this way, we can measure the need and kind of expansion to be accomplished later.

In addition to Trout Pond, there are four developed recreation sites in the West Virginia portion of the George Washington National Forest. All have drinking water and sanitation facilities. These developments are operable, but there is a need for reconstruction and maintenance of some facilities to reach acceptable standards. The total cost of this work is estimated to be as follows:

Hawk Site—10 picnic and 15 camping units	$2,500
Wolf Gap—10 picnic and 10 camping units	50,000
Camp Run—9 camping units	------
Brandywine Lake—60 picnic and 17 camping units; swimming and boating opportunities	17,500
Total	70,000

GEORGE WASHINGTON NATIONAL FOREST, W. VA.

Senator ROBERT C. BYRD. What are your most urgent funding needs in each of these areas beyond the amounts included in your fiscal year 1976 budget? You may want to include that, or could you do that here?

Mr. NELSON. You are talking about the George Washington National Forest in West Virginia?

Senator ROBERT C. BYRD. Yes.

Mr. NELSON. I would also like to include that in the record, Senator.

Senator ROBERT C. BYRD. Very well.

[The information follows:]

In addition to the $70,000 needed for reconstruction and maintenance at the three recreational areas on the George Washington National Forest—Hawk Site, Wolf Gap and Brandywine Lake—there is a need of $60,000 for streambank stabilization in the Brandywine Recreation Area to control erosion. This amount is not in the 1976 budget request.

TRANSITION PERIOD CONSTRUCTION

Senator ROBERT C. BYRD. Your $11 million construction request for the July–September transition is almost as big as your entire fiscal year 1976 estimate. Why is this?

Mr. NELSON. Senator, we took our actual cost of programs incurred during the summer period and in an attempt to build a budget for this transition period, we simply used this ratio in arriving at those figures. In other words, a great portion of our program occurs during the summer months and so we have a range in expenditures under the various line items that correspond to our historical record on what we have actually spent during that portion of the year.

Senator ROBERT C. BYRD. Because of the seasonal nature of construction, are we to assume that the transition request makes up the bulk of your intended 1977 program?

Mr. MCGUIRE. The new fiscal year, Mr. Chairman, will carry on through that field season in 1977. I don't think we could agree that this makes up the bulk. When you get on the new basis of October 1

to October 1, we will be pretty much thinking along the same lines we were when we prepared the 1976 budget. This just gives us an additional field season, in a sense.

SENECA ROCKS

Senator ROBERT C. BYRD. I notice that you have scheduled $279,000 for the Seneca Rocks visitors center in the transition period budget. When would you actually put that project under construction?

Mr. NELSON. We would put that money under contract probably during that transition period, Senator. This $279,000 would be for partial completion of the building, the utilities, landscaping, and installation of the underground electrical power.

Senator ROBERT C. BYRD. Can you estimate what month during that transitional period you would be able to put the project under contract?

Mr. NELSON. I would hope during July, Senator. That is the July during the transition period.

Senator ROBERT C. BYRD. Nail that down a little harder for me.

Mr. MCGUIRE. The transition period will begin on July 1, 1976. If the appropriation for that transition period is made at the same time the appropriation is made for all of 1976, then we can proceed immediately to let contracts during the first month of the transition period. In fact, we would want to do this because it will allow the successful bidder to begin his construction work during the summer.

COOPERATION IN FIRE CONTROL

Senator ROBERT C. BYRD. You are proposing a $4.5 million reduction in State and private forestry cooperation, mainly by dropping the funding added by Congress for cooperative fire control. Tell us why you propose rescinding that addition and now discontinue it in this budget.

Mr. MCGUIRE. When this budget was prepared, Mr. Chairman, we again assumed approval of rescission requests. The Congress had appropriated that full amount and had added the $4.9 million. We knew a rescission was going to be requested so at the time we prepared this budget we stated the level we thought we would be able to have approved.

Senator ROBERT C. BYRD. In the light of the events in the interim, what do you recommend at this time?

Mr. MCGUIRE. I think the administration's position is still the same, Mr. Chairman. It would look to drop back to the $20 million level, although we will be at the $25 million level for fire protection on State and private lands in fiscal 1975.

Senator ROBERT C. BYRD. Doesn't the cooperative fire control program provide real benefits while also generating constructive job opportunities?

Mr. MCGUIRE. Yes; it does, Mr. Chairman. In fact, the original plan—this is a program that goes back to the 1920's—was to share the cost of fire protection equally with the States, on a 50–50 basis. As years have gone on, the Federal share has been steadily dropped and it is now around 20 percent of the total cost and the States and

local governments are picking up over 80 percent. The Federal share actually is about 14 percent at the $20 million level.

PRIVATE FORESTRY CONSULTANTS

Senator ROBERT C. BYRD. Concern has repeatedly been expressed that your cooperative forestry management program finances unfair Government competition with private forestry consultants. Bring us up to date on that situation.

Mr. THORNTON. The concerns which have surfaced in the past 2 years about unfair Government competition with private forestry consultants have been largely resolved. We have worked closely with the National Association of State Foresters and the Association of Consulting Foresters to pinpoint problem areas and resolve them. We are satisfied that all cooperating State foresters are aware of the need to recognize the role of consulting foresters in providing service to private forest landowners. We have directly urged them, particularly in States where problems are known to exist, to examine their own policies and make appropriate modifications.

In other, longer range action, we have begun projects to encourage the establishment of new consulting foresters in areas not presently served and to learn more about the kinds of service a consulting forester can establish a successful business upon. And, finally, we have substantially revised our program administration guidelines with more stringent limitations on public assistance and requiring positive action by the States to identify opportunities for consulting foresters.

YOUTH CONSERVATION CORPS

Senator ROBERT C. BYRD. You propose no program increase in the new Youth Conservation Corps, although we understand this has been a successful program. What is your assessment of the YCC?

Mr. MCGUIRE. This has been a very successful program, Mr. Chairman. We have testified in the past that when the funding situation permits, it would be desirable to raise it to the level of $43 million, of which $13 million would be provided to the States to carry on the State part.

Senator ROBERT C. BYRD. States are entitled to one-third of the overall appropriation on a matching basis. Has there been an increase in State interest?

Mr. MCGUIRE. Let me ask Mr. Deinema to answer that question.

Mr. DEINEMA. The States are still tremendously interested, Mr. Chairman. They have offered to put up more money than we have been able to match.

Senator ROBERT C. BYRD. What is the level of the State matching?

Mr. DEINEMA. I would have to furnish the exact figures for the record, Mr. Chairman.

Senator ROBERT C. BYRD. All right. If you will.

[The information follows:]

Under the present funding level of $10.4 million for the Youth Conservation Corps Program, the State grant program is $3.0 million and the State matching requirement is $3.0 million (50 % Federal—50% State). Reports from States indicate real interest and a capability for State matching of $3.7 million. This ca-

pability would more than equal the State matching requirement of 20%, minimum authorized by law, which could be approved at the $43.0 million level. At this program level, and assuming a 20% matching requirement, the Federal grant program would be $13.0 million and the State matching requirement would be $3.3 million.

FOREST ROADS AND TRAILS

Senator ROBERT C. BYRD. Your roads and trails program featuring a $16.3 million reduction in contract liquidation appropriations appears in the same format as last year. Didn't the Resources Planning Act require you to show timber purchaser roads as new budget authority?

Mr. NELSON. As we understand the Resources Planning Act, we will begin to show the estimated cost of timber purchaser road construction as new budget authority in fiscal year 1977.

Senator ROBERT C. BYRD. Once again you propose no construction whatsoever of general purpose and recreation access roads, concentrating on timber access roads. How much longer do you intend to follow that policy? Is it continued in the transition period?

Mr. NELSON. At current funding levels for road construction, we will build very few, if any, recreation access roads. In line with national housing goals and wood fiber needs, available funds are being directed toward access for management and removal of national forest timber. The current depressed timber market situation has placed additional demands on road funds for access to enable sale of timber. We do not see any change in policy forthcoming until the economic outlook of the Nation changes.

FUTURE FUNDING FOR ROADS AND TRAILS

Senator ROBERT C. BYRD. Under the Budget Reform and Impoundment Control Act, your roads and trails funding will be subject to annual appropriations as are your other accounts, in place of the advance contract authority. How do you intend to present this program in your justification next year?

Mr. NELSON. All of the details of how the justifications for the forest roads and trails program will be presented for fiscal year 1977 have not been finalized as yet. We will comply with the requirements of the Budget Reform and Impoundment Control Act of 1974. As we see it now, the total program requested will include road construction to be accomplished by timber purchasers under the requirements of timber sale contracts. It will also contain the estimated value of road construction in timber sale contract awards during the year along with a request for necessary budget authority. Estimates of budget authority and outlays for the total proposed Forest Service roads and trails program will be reflected in the justifications.

TRAVEL AND TRANSPORTATION COSTS

Senator ROBERT C. BYRD. With a restrained roads and trails program, why do you need a $2.7 million increase for travel—more than double the 1975 level?

Mr. NELSON. At the time this budget was prepared there was imposed a Government wide limitation on travel costs for fiscal year 1975. The amount shown for fiscal year 1975 in the budget before you is not a realistic figure. As you know, the travel limitation has now been

eliminated, and we expect our travel costs in 1975 and in 1976 to be on a comparable basis as related to the total dollars available in the appropriation.

Senator ROBERT C. BYRD. Your estimate for transportation of goods is also up sharply. Why?

Mr. NELSON. In breaking out the program level by object class, first, the personnel needs were determined. Then the balance was distributed on a pro rata basis, using actual fiscal year 1974 information as a base and estimating changes in program requirements. This was our best estimate at the time the budget was prepared.

CONSTRUCTION AND OPERATION OF RECREATION FACILITIES

Senator ROBERT C. BYRD. You have a $3.6 million estimate under your recreation fee account, which is based on anticipated revenues. How firm is that fee estimate?

Mr. NELSON. The $3.6 million estimate was based on an anticipated collection of approximately $5.6 million. Reported collections through December and anticipation for the remainder of this year indicates that the total collection will be about $4.5 million. As a result, the amount available for use will be between $2.9 and $3 million.

Senator ROBERT C. BYRD. Your justification for the fee account gives no information whatsoever on where you intend to allocate those funds. Please supply a State breakdown and provide more information on exactly what kind of operating and maintenance work will be conducted.

Mr. NELSON. Appropriations from the fee account are used to clean facilities, dispose of solid waste, and maintain and restore structural improvements. They are also used to replace worn or damaged facilities and reconstruct deteriorated improvements.

We will furnish the State breakdown for the record, Senator.

[The information follows:]

The estimated fiscal year 1976 funds in the construction and operation of recreation facilities are distributed as follows:

	Amount		*Amount*
Alabama	$43,900	Nevada	$53,600
Alaska	26,300	New Hampshire	71,000
Arizona	136,200	New Mexico	34,000
Arkansas	344,600	North Carolina	32,300
California	965,600	North Dakota	8,300
Colorado	320,800	Ohio	18,800
District of Columbia	39,000	Oregon	196,200
Florida	119,400	Pennsylvania	124,400
Georgia	46,400	South Carolina	11,600
Idaho	84,300	South Dakota	55,300
Illinois	22,700	Tennessee	29,300
Indiana	20,200	Texas	39,800
Kentucky	3,300	Utah	144,500
Louisiana	29,300	Vermont	10,800
Maine	1,400	Virginia	92,300
Michigan	100,600	Washington	86,500
Minnesota	82,100	West Virginia	37,600
Mississippi	21,300	Wisconsin	92,900
Missouri	25,100	Wyoming	45,900
Montana	56,400		
		Total	3,674,000

CONSTRUCTION PROJECTS TO BE FINANCED

Senator ROBERT C. BYRD. Are there any sizable construction projects to be financed under this account?

Mr. NELSON. We do not plan to use this account for any sizable construction projects in fiscal year 1976.

CHANGE IN BOUNDARIES

Senator ROBERT C. BYRD. You again propose eliminating the language in the administrative provisions that prevents you from altering regional boundaries without congressional approval. Do you have any plans at this time to change any boundaries or other entities covered by the language?

Mr. DEINEMA. At present we do not have under consideration any proposals for changing regional boundaries which would be covered by this language.

Senator ROBERT C. BYRD. If this language were dropped, what procedure would you pledge to follow in proposing any boundary changes?

Mr. DEINEMA. What we propose is actually no different from what is required by the 1975 language but would take the form of a gentleman's agreement to work together on such matters in lieu of a law requiring such cooperation. We now have a full understanding of the strong interest of this committee and other Members of Congress in the regional organizational patterns of the Forest Service. We would prefer to work with Congress under our own initiatives, to reach logical conclusions on any proposed regional changes. The 1975 language could be narrowly interpreted to bar administrative studies of feasibility and advisability of any regional reorganization alternatives. While a policy that strict may not have been the intent of Congress, there is the possibility of it being construed in that way.

AIRPLANES

Senator ROBERT C. BYRD. Why do you need to buy four new replacement aircraft?

Mr. NELSON. The Forest Service is phasing out the use of Beechcraft T–34 single-engine aircraft for air tanker lead-plane work. The T–34's still in service will be replaced with light twin-engine aircraft to increase the safety margin in this hazardous operation and to provide a more versatile and cost-effective aircraft suited to a variety of missions.

ADDITIONAL SUBMITTED QUESTIONS

Senator ROBERT C. BYRD. There are certain questions that have been submitted to me by Senators McGee, Montoya, Stevens, Magnuson, and Fong. I also have a few more to give you. These questions will be submitted to you to be answered for the hearing record.

Mr. MCGUIRE. We will be glad to answer them, Senator.

[The questions and answers follow:]

QUESTIONS SUBMITTED BY SENATOR ROBERT C. BYRD

Forest Service Uniforms

Question.--We understand that Forest Service uniforms for rangers, formerly made of wool, are now made of a synthetic material. If so, why was this change made?

Answer.--The regular Forest Service uniform is still made of wool. We did recently add a field work uniform made of cotton/synthetic blend in order to provide wash and wear garments for rough duty work.

Question.--Isn't wool warmer in the winter in either dry or damp weather? We also understand wool is fire-resistant while synthetic material can be dangerous because it will either melt or go up in flames. Are rangers adequately protected from forest fires when they are wearing a synthetic material?

Answer.--There are definite advantages in garments manufactured with wool. It sheds moisture quite well and has a fire resistant quality. Any clothing worn in fire suppression is not synthetic. For this type of work, the cotton shirt and work pants are authorized. The synthetic materials are optional in the shirt and trousers for the work situations when fire is not involved. All material being used has been tested by U. S. Testing Company, Inc., and we are satisfied as to its safety and fire resistancy.

Question.--If a change has been made to synthetic fabrics, it would seem that the Forest Service should consider the fact that wool is an agricultural product, grown from renewable grass resources and the sun, while synthetic fibers have to be produced with scarce petrochemicals.

Answer.-- We agree wool is a superior material and we will fully consider its advantages, including petrochemical savings, in our uniform procurement.

QUESTIONS SUBMITTED BY SENATOR GALE W. McGEE

West Slope Wind River

Question.--I notice that the amount requested for Construction and Land Acquisition for fiscal year 1976 is $16,862,000 less than in fiscal year 1975. How will this affect your proposed development of recreation-public use areas program and roads and trails construction as it relates to the West Slope of the Wind River Composite in the Bridger-Teton National Forest?

Answer.--The proposed budget reduction in the Construction and Land Acquisition items reflect the minimum programs of new development made mandatory due to underwater developments and commitments for recreation facilities around other agency reservoirs. Essentially no other development is proposed. The West Slope Wind River proposed project is one of a number of new developments being held in a deferred work category within National Forests Service-wide. This includes both the recreation development and related roads and trails facilities.

Cheyenne River Bridge

Question.--As a related question, I am informed that the Forest Service does not intend to fulfill its commitment regarding the construction of the Cheyenne River Bridge in the Northeast corner of Converse County. Both Converse and Weston Counties have made a significant investment on their part. What does the Forest Service intend to do to live up to its obligations, and when?

Answer.--The Cheyenne River Bridge is on a National Grassland and does not support timber programs. Because of this, even though it is a high priority all-purpose road funding need, it cannot be funded under our current budget proposals. It is our understanding that since funds were not available in fiscal year 1975, the State has now reprogramed its industrial road funds to other projects. Although they might be able to change again in fiscal year 1976, it is more likely that it will be 1977 before the State funds could be reinstated for this project. Hopefully, our funding situation will permit the Forest Service to meet its obligation in fiscal year 1977.

Environmental Impact Statements

Question.--The preparation of environmental impact statements has become an obligation as the Forest Service seeks to accomplish its mission. How does the Forest Service intend to meet this obligation?

Answer.--The preparation of environmental impact statements is a continuing activity which has been fully integrated into the Forest Service planning, administrative, and decisionmaking processes.

Since the inception of the National Environmental Policy Act in 1969, the Forest Service has filed 620 draft and final environmental statements with the Council on Environmental Quality, as shown in the following table:

	Statements		
Fiscal Year	Draft	Final	Total
1971	20	14	34
1972	35	27	62
1973	92	40	132
1974	131	106	237
1975(through March, 1975)	85	70	155
Total	363	257	620

In addition, as of March 15, 1975, the Forest Service had 358 draft and final environmental statements under preparation.

The cost of preparing environmental impact statements, and environmental analyses on activities where statements are not required, has contributed to sharply rising costs for carrying out regular management activities. The rapid buildup in the environmental statement workload in the last several years has made it difficult to adequately fund this activity while maintaining normal program levels.

Question.--Will any ongoing programs be affected due to the funding of environmental impact statements? Please provide me with a list of deferred projects for Wyoming, noting project costs, location, and number of jobs that can be generated by these projects.

Answer.--Service-wide some of the outputs for ongoing programs have had to be reduced because of environmental analysis and preparation of environmental statement costs. Since environmental analysis and preparation of environmental statements are an integral part of our ongoing programs, there is no accurate way of determining the output reductions for specific ongoing projects nor specific documentation of the costs by programs.

Reforestation

Question.--Why has the fiscal year 1976 budget request for reforestation and timber stand improvement been cut from the fiscal year 1975 figure? Since there remain 3.3 million acres to be reforested, and since the Congress last year mandated a 10-year reforestation program, why have these cuts been requested?

Answer.--When the budget was prepared, there was a request before Congress for rescission of $10 million of the fiscal year 1975 appropriation for reforestation and stand improvement. Based upon that rescission action, our budget request was $5,424,000 larger for fiscal year 1976 than for fiscal year 1975. Subsequently, the rescission request was disapproved and the funds were released for expenditure in fiscal year 1975. The level of total funding for reforestation and timber stand improvement in the fiscal year 1976 budget request was selected as part of the process of setting priorities for spending within the total Federal budget.

Within the total funding for reforestation and timber stand improvement in the fiscal year 1976 budget request, we have increased the reforestation program by $3,967,000 over the fiscal year 1975 level. This increase will use nearly all the planting stock available for fiscal year 1976. We are expanding seedling production in the nurseries to permit a larger reforestation program in subsequent years.

Surface Environment and Mining

Question.--Why is there no increase in your fiscal year 1976 budget request for reclamation of surface mine lands?

Answer.--Budgetary direction dictated that the SEAM program as well as other programs be funded at levels to stay within prescribed budgetary constraints. These constraints did not permit us to increase the budget request for SEAM.

Question.--In this same area, I realize that mine reclamation activities have been spread out among several agencies. What is the Forest Service doing to coordinate its activities with those of the EPA, ERDA, the Bureau of Mines, and the Department of the Interior in general?

Answer.--Under the general coordination of the Office of the Assistant Secretary for Conservation, Research, and Education in the Department of Agriculture, we have participated in meetings with EPA and the Department of the Interior, we have exchanged information on the type of research and development projects now being carried out by each agency and we have been working closely together in coordinating the planning of future research and development work. EPA is currently considering the financing of some research work to be done by us that they also have an interest in. Discussions with several Department of the Interior agencies are also underway and it is hoped that additional Forest Service research projects will be financed with the help of these agencies. Cooperation and coordination with Energy Research and Development Administration to date has been at a less intensive level, but we hope to increase our contacts with ERDA in the near future.

Question.--Please provide me with an updated report on the status of the SEAM program. How do you intend to accelerate work on this program?

Answer.--SEAM (Surface Environment and Mining) was established in 1973. Although designed as a $12 million per year, five-year program, initial funding has been $1.7 million for fiscal year 1974 and $2.2 million for fiscal year 1975. The $2.2 million in fiscal year 1975 included $500,000 for an ongoing project at Berea, Kentucky.

SEAM has 58 reclamation-related research projects underway in ten Western States. Studies cover such fields as soil and overburden analysis, spoil placement hydrology, revegetation, microbiology, wildlife, and air pollution. These studies are being conducted either in-house through Forest Service research work units or by cooperative agreements with other agencies and various universities.

SEAM's major thrust in planning during 1974 was centered on continuing the development of planning tools. Contracts have been signed with the University of California at Berkeley, Utah State University, and Colorado State University for the purpose of continuing that effort.

To make land use planning more efficient, SEAM and the Northern Region of the Forest Service, headquartered in Missoula, Montana, have secured both hardware and software programs to substantially increase accuracy and speed of acquiring and handling data. One such project includes the use of a color image enhancer/digitizer system.

Automation of selected minerals management data has been accomplished on the Custer National Forest in Montana to provide leasing information on National Forest System lands.

SEAM funds provided for collection of resource data needed to fully plan future phosphate development to coordinate with other resources and uses of the Caribou National Forest in Idaho. This work is being conducted in cooperation with the Intermountain Region of the Forest Service, the State of Idaho, Bureau of Land Management, U. S. Geological Survey, and the mining companies.

A major effort is underway on the Ashland Ranger District of the Custer National Forest in Montana where the most sophisticated techniques available are being applied to the planning and decisionmaking process in order to develop a model planning system which will be adaptable nationwide.

Cooperative agreements between SEAM and the States of North Dakota and Utah have been established for the purpose of analyzing problems related to mining and subsequent reclamation in those States. Idaho, New Mexico and Arizona are presently being considered for similar projects. As appropriate and needed, similar agreements will be made with other States.

A vast amount of knowledge relative to reclamation and the effects of mining is scattered among Federal and State agencies, mining companies, universities, and elsewhere. To acquire, process, handle, store and provide timely retrieval of this large bulk of information is important to assure its most effective use. As an initial effort, resource and reclamation related data from the Northern Great Plains Resources Program as well as the information gathered by the Old West Regional Commission as it applies to minerals planning and reclamation in the Northern Great Plains has been automated.

SEAM has four active reclamation demonstration projects, with more on the drawing board. These are located at the Navajo Mine at four Corners, New Mexico; the Decker Mine in Southeastern Montana; Goose Lake near Cooke City, Montana; and the Blackbird Mine near Salmon, Idaho.

Some of the plant materials needed for mined land reclamation are not yet readily available from commercial sources. To prevent a shortage in the supply of plant materials, operations have been accelerated at three Soil Conservation Service Plant Materials Centers as well as at the Forest Service Nursery in Coeur d'Alene, Idaho. The SCS Centers are: Los Lunas in New Mexico, Bridger in Montana, and Bismarck in North Dakota.

During 1974, the following publications were initiated and will be issued shortly:

- --Paper entitled "Surface Rehabilitation Potentials and Limitations on the Northern Great Plains."
- --Dissertation on aquatic classification.
- --Publication entitled "Anatomy of a Mine - From Prospect to Production" which provides land managers with a reference guide to help with all phases of the extraction process.
- --Practical guide to revegetation providing land managers with knowledge of the current state-of-the-arts in reclamation and revegetation.
- --Interim reports will be forthcoming on several reclamation research projects. For example, a report will soon be out on the research being conducted at the Decker Mine in Eastern Montana.

In addition, SEAM co-sponsored a reclamation short course in Tucson, Arizona, January 6-10, 1975, which brought together government and industry to discuss reclamation in arid land systems.

The budgetary situation has prevented the acceleration of the SEAM program. We hope to provide additional funding to this program when the financial conditions permit.

Medicine Bow Ranger Station

Question.--I am informed that the Forest Service is still contemplating the closing of the Medicine Bow Ranger Station. This is in my view a grave error. Please supply me with a complete justification of your position if this action is contemplated. A prompt response to this question would be appreciated.

Answer.--No decision has been made as to the closing of the Medicine Bow Ranger Station. We are analyzing the various options. We also plan to have a public meeting at Medicine Bow to discuss the various alternatives. The analysis of the Medicine Bow Ranger Station is scheduled to be completed by July 1, 1975.

Northern Great Plains Resources Program

Question.--What efforts do you intend to make to continue your excellent cooperation with the Northern Great Plains Resources Program? What funds have you allocated for this?

Answer.--The current objective of the Northern Great Plains Resources Program is to complete the publication of the summary and work group reports on the impact of coal development on the Northern Great Plains. We also understand the organizational structure and future mission of the NGPRP is currently being considered. In the event the NGPRP mission continues to consist of activities that are within our areas of concern, you may be sure that we will continue to cooperate with this program at the same level of intensity as we have in the past. There has been no direct allocation of fiscal year 1975 funds to NGPRP by the Forest Service. We have invested man-days in 1975 in programs that are beneficial to the Forest Service and NGPRP mission.

Eisenhower Consortium

Question.--I note that there is no funding for the Eisenhower Consortium. As you know, the Congress is most interested in continuing this cooperative university research effort and added funds in fiscal year 1975 for this program. What level of funding would you require to continue this in fiscal year 1976? Did you request funds or did OMB cut your original request?

Answer.--In fiscal year 1975 the Eisenhower Consortium for Western Environmental Forestry Research was funded at the level of $300,000. This provided for cooperative research by all of the universities in the Consortium and the Forest Service. To continue at the 1975 level, this program will require $300,000 in fiscal year 1976. We were unable to request these funds and remain within the budgetary constraints.

Wildlife Habitat Research at Laramie, Wyoming

Question.--Do you intend to go ahead with funding for the USFS Warehouse in Laramie, and the University of Wyoming cooperative research program? What level of funding would you require for these programs?

Answer.--We do not have funds in the fiscal year 1976 budget to construct the warehouse facility at Laramie. The construction was proposed as a project for inclusion in the 1975 supplement for emergency employment. The cooperative research program you refer to is also part of the 1975 supplemental. We proposed to hire people to assist with the wildlife habitat research. There are many jobs to be done to augment the ongoing research program. We are unable to do those jobs with our present staff so we saw this as an opportunity to provide meaningful jobs and at the same time accomplish some research we otherwise could not do. To construct the facility will require $75,000. We can utilize $50,000 to hire people to assist in wildlife habitat research.

Proposed Projects for Generating Employment

Question.--It would appear that the Forest Service has not been included under the provisions of the recently enacted Emergency Employment Act. What programs would you view as especially beneficial to generating employment for USFS projects and what funds would be required to carry these out in fiscal year 1976?

Answer.--The Forest Service is included in the Emergency Employment Appropriations Act for fiscal year 1975. Additional funding for the following activities would provide employment opportunities and benefit the programs of the Forest Service in fiscal year 1976:

Activity	Amount (in thousands)
Forest Protection and Utilization:	
Forest Land Management:	
Sales administration and management:	
Timber inventory and plans	$1,869
Reforestation and stand improvement	5,000
Recreation use	10,516
Wildlife and fish habitat management	4,103
Rangeland management	8,272
Soil and water management	136
Minerals management	5,939
Forest fire protection	10,000
General land management activities:	
Land classification, adjustment, and surveys	5,143
Maintenance of improvements for fire and general purposes	3,045
Total, Forest Protection and Management	54,023
Forest insect and disease control	8,000
Total, Forest Land Management	62,023
Forest Research:	
Trees and timber management research	3,087
Forest watershed management research	1,300
Wildlife, range, and fish habitat research	2,661
Forest recreation research	1,125
Forest insects and disease research	4,473
Forest products utilization research	2,763

Activity	Amount (in thousands)
Forest resources evaluation	3,700
Surface environment and mining	3,530
Total, Forest Research	22,639
State and Private Forestry Cooperation:	
Cooperation in forest fire control	4,900
Cooperation in forest tree planting	1,000
Cooperation in forest management and processing	2,600
General forestry assistance	2,710
Total, State and Private Forestry Cooperation	11,210
Total, Forest Protection and Utilization	95,872
Construction and Land Acquisition:	
Forest Land Management Construction:	
Development of recreation-public use areas (includes water resource development construction)	16,087
Construction for fire, administrative, and other purposes	14,108
Research Construction	10,000
Total, Construction and Land Acquisition	40,195
Forest Roads and Trails	62,000
Assistance to States for Tree Planting	245
Acquisition of Lands, Special Acts	432
Youth Conservation Corps	33,000
Total, Forest Service	231,744

QUESTIONS SUBMITTED BY SENATOR JOSEPH M. MONTOYA

Project STRETCH

Last year I commented on the Forest Products Laboratory's Project STRETCH. The following questions refer to that program:

Question.-- How much is proposed for this program for fiscal year 1976, and how much of an increase does this represent over the amount appropriated for fiscal year 1975?

Answer.-- The STRETCH program in fiscal year 1976 is funded at the level of $1,181,000. This is an increase over fiscal year 1975 of $681,000.

Question.-- How far along are you in the program? What goals have you reached? What significant developments have you made?

Answer.-- Project STRETCH was initiated in-house in 1972. Two major goals have been reached. The first goal was development of the Best Opening Face principle and the computer program to implement it. It permits automatic selection of the best placement of the first cut in a sawlog. Two mills are under construction to utilize the complete BOF

system; three are operating with a system similar to BOF, and several others are operating with some degree of computerized control. Implementation of additional manufacturing systems based on BOF can show increases in yields in excess of 15 percent above the conventional system.

Development of Press-Lam is the second goal reached. Press-Lam is a system for producing lumber-type products from thick knife-cut sheets. Such products have improved uniformity in structural performance.

Recent developments from the STRETCH program include an Edge-Glue-And-Rip concept to make structural lumber of high quality and reduced warp. The use of EGAR results in an increased yield of 10 percent from log volume.

Another development is the design of a research model of defect detection device which uses ultrasonic waves to define the boundaries of knots in lumber. When this line of research is completed, it will be possible to develop a workable industrial processing control system.

Question.-- Could you make good use of additional funds? If so, how much could you use?

Answer.-- The STRETCH program is not fully funded. To fully implement the STRETCH program an additional $663,000 would be required.

Question.-- Please tell us how this program contributes to the battle against inflation?

Answer.-- The STRETCH program contributes to the battle against inflation in two major ways. First, the program is designed to improve efficiency within the wood utilization industry and, second, the product development in STRETCH provides for the utilization of low value materials in high value products thus reducing real per unit costs to the consumer.

QUESTIONS SUBMITTED BY SENATOR TED STEVENS

Funding for Alaska Region

Question.--Is the Alaska Region's budget for fiscal year 1976 the amount they asked for? If not, what additional funds were asked for?

Answer.--The following table shows the requested appropriated funds and the proposed allowances in fiscal year 1976 for the Alaska Region:

	Regional Request (excludes increased pay costs and GSA space costs)	Allowance (includes increased pay costs and GSA space costs)
Forest Protection and Utilization	$9,449,000	$11,082,300
Construction and Land Acquisition	770,000	781,600
Forest Roads and Trails	6,342,000	4,667,000
Construction and Operation of Recreation Facilities	5,000	3,000
Youth Conservation Corps	- -	85,080
Total	16,566,000	16,618,980

The budget proposals for fiscal year 1976 were constrained to a level of plus ten percent of the fiscal year 1975 base; thus, the total needs for the Alaska Region were not included in the above amounts. Additional appropriated fund needs above the allowances have been reported to us as follows:

Forest Protection and Utilization	$2,754,600
Construction and Land Acquisition	3,770,258
Forest Roads and Trails	8,142,000
Youth Conservation Corps	64,920
Total	14,731,778

Question.--Is the Forest Service going to meet timber sale commitments in Alaska in fiscal year 1976? If not, what else is needed for these commitments to be met?

Answer.--We have substantially increased manpower and funding to enable the Alaska Region to meet its timber sale commitments. In fiscal year 1975, the Forest Service assumed the responsibility for all sale layout and road layout on the long-term Ketchikan Pulp Company timber sale. In preparing the budget request for fiscal year 1976, the Forest Service included all the estimated funds and manpower needed by the Alaska Region for its regular timber sale program, as well as for the Ketchikan Pulp Company sale layout work.

Since that time, it has been determined that additional funding and manpower is needed by the Alaska Region for it to fully meet its fiscal year 1976 timber sale commitments. Several activities contribute to this added need:

-- The first year's experience on the Ketchikan Pulp Company sale layout and road layout has shown that earlier estimates were low. The sale and road layout is more time-demanding because of the need to limit the size and shape of clearcuts and thus to disperse the cutting units over a much larger area during the early years of the sale. More miles of road are needed now to reach these cutting units.

-- Because so much of the Alaska Region is roadless, it is necessary to prepare environmental impact statements for virtually every new timber sale. Much time and expense is involved.

-- The establishment of boundary lines between lands selected under the Alaska Native Claims Settlement Act and National Forest lands in timber sale areas, and sale layout on units to replace those on areas selected under the Alaska Native Claims Settlement Act is adding an additional time-consuming workload.

-- By mutual agreement with the timber purchaser, the Forest Service will take over 100 percent of the sale layout and a portion of the road layout on the long-term Alaska Lumber and Pulp Company-Sitka Unit sale. This will also be quite time-consuming because of the need to disperse cutting units over a larger area of the sale.

The additional funds needed for the Alaska Region are (in thousands):

Timber resource management	$603
Timber support activities	584
Forest roads and trails	1,677
Total needs	2,864

Question.--Will the Forest Service in Alaska have enough funds in fiscal year 1976 to take care of increased recreational demands due to the Alaska pipeline impact? If not, how much more will the Alaska Region need for this purpose?

Answer.--Although the proposed appropriation for recreation management will allow us to increase funding in Alaska, it will not fully cover the needs. About $175,000 is needed to accommodate the expected increase of use at developed sites and to manage the impact of dispersed area use.

Question.--Will the Alaska Region have adequate funding to take care of their responsibilities under the Sikes Act in fiscal year 1976?

Answer.--Yes, the Alaska Region will have adequate funding to initiate the administrative phases of planning, developing, and coordinating programs for the conservation and rehabilitation of fish and wildlife in Alaska.

Question.--Similarly, will the Alaska Region have adequate funding to take care of their responsibilities under the Endangered Species Act?

Answer.--Yes, the Alaska Region will be allocated $19,000 in fiscal year 1976 for restoration and development of threatened and endangered species habitat programs.

Question.--The Federal Water Pollution Control Act of 1972 places special requirements on the Forest Service with respect to controlling point and non-point source pollution caused by logging operations on National Forest lands. Is the Alaska Region receiving adequate funding to take care of their responsibilities in this area?

Answer.--We believe the Alaska Region is receiving their fair share of available funds for non-point pollution. However, we have not identified all the sources of non-point pollution. The proposed program throughout the National Forests is $1,990,000. These funds are to be used on National Forest System lands for monitoring, evaluation, design, and technical supervision of procedures for identifying and abating pollution at non-point sources.

Research in Alaska

Question.--What is the level of funding in the fiscal year 1976 budget for research in Alaska?

Answer.--Fiscal year 1976 funding for research in Alaska is $1,103,000.

Question.--I understand that the Forest Service has a long-range plan to meet the needs for forestry research in Alaska. How far along are you in implementing that plan?

Answer.--The Forest Service has a long-range plan to meet Alaska's forestry research needs. We have not made much progress in implementing the program due to the budgetary situation. Addition of funds by Congress has provided for some of the short-term studies, but research on the more complex problems will provide payoff only with implementation of the long-range plan.

Question.--Each of the last three years I have requested and have been successful in obtaining increased funds for forest research in Alaska. Could you recapitulate the amounts and purposes for these funding increases obtained the past three years?

Answer.--In fiscal year 1973, Congress provided for Alaska an additional $100,000 for watershed management research, $100,000 for fire and atmospheric sciences research, and $100,000 for forest recreation research. In fiscal year 1974, Congress added $100,000 for watershed management research and $100,000 for forest recreation research. For fiscal year 1975 Congress added $200,000 for timber management research and $200,000 for wildlife and fish habitat research.

Question.--In what amounts have these funds been expended and for what purpose?

Answer.--The $300,000 in fiscal year 1973 was impounded and never released. In fiscal year 1974, the $200,000 added by Congress was spent to conduct watershed and recreation research. The fiscal year 1975 additions are being used to support in-house and cooperative research on timber management and fish habitat problems in Alaska.

Question.--Were any of these items added through Congressional action reflected in ensuing fiscal year administration budget estimates?

Answer.--These additions were proposed for inclusion in the Forest Service budget for ensuing fiscal years, but because of budget restraints they were not included in the budget sent to Congress.

Question.--What does the Department view as the highest priority research needs for Alaska?

Answer.--The Department of Agriculture research plans for Alaska place emphasis on needs for both the Southeast and Interior. Research is needed in Southeast Alaska for protection and maintenance of salmon spawning habitat and for regeneration and management of second-growth forests. In Interior Alaska, we see problems developing around the need for more effective harvesting and regeneration of timber on fragile soils, and maintenance and improvement of habitat for large

game animals. Solution of those problems is particularly important to the development of effective land management policies for programs now evolving in Alaska.

Question.--Along the line of research priorities, what is currently being done in the area of wildlife habitat research in Alaska?

Answer.--Wildlife habitat research in Alaska is concentrating on how to maintain and enhance salmon spawning habitat and how to maintain big-game habitat and migratory waterfowl nesting areas while developing Alaska's timber mineral and energy resources.

Question.--I view the effects of logging on fisheries habitat as one of the critical research priorities in Alaska. What research is being done on the relationship of the logging industry to the fisheries habitat in Southeast Alaska?

Answer.--The effects of logging on fisheries habitat is a critical research priority in Alaska. We are identifying the critical features of the anadromous fish habitat and researching ways to protect streams through watershed management practices. The objective is to make compatible the protection of the fisheries habitat and timber harvesting.

Question.--The research facilities in Alaska are seriously inadequate to carry out needed forestry research. Can you give us some idea of the kind and location of the facilities that would rectify this serious situation?

Answer.--Present facilities in Alaska would not be adequate to meet future forest research needs in Alaska. In the first year we would need $260,000 for architectural and engineering planning for a laboratory at Juneau that has an estimated cost of $3 million.

Question.--Are there forestry research needs in Alaska which are unique or are Alaska's research needs basically the same as in other parts of the country?

Answer.--Alaska's research needs are a combination of unique and conventional problems. The unique aspects include the extremely fragile cold dominated ecosystems of the Interior and the anadromous fisheries habitat.

Question.--Can Alaska rely on research carried out in other areas, such as the Pacific Northwest, to meet its needs?

Answer.--Some research results from other areas are applicable; for example, spruce and fir genetics programs and fire research. However, most of Alaska's research needs will have to be met by research on the ground in Alaska.

Question.--What are some of the major accomplishments of forest research in Alaska this past year?

Answer.--Alaskan research accomplishments this past year include several major publications, progress on defining the importance of small feeder streams to the anadromous fishery, serving as environmental consultants on gas pipelines, and initiating study of the effects of intensive management of second-growth forests in Southeast Alaska. The publications culminate many years of research effort. They include the "Guide to Alaska Trees" which is Agricultural Handbook 472; the "Forest Resources of the Kobuk Region"; "Wildfire in the Taiga of Alaska" and eight of nine volumes on the "Forest Ecosystems of Southeast Alaska."

Question.--It appears to me that there is a definite case presented here for a greatly expanded forest research program in Alaska. What approaches is the Department taking to address this problem?

Answer.--The Department of Agriculture recognizes the importance of Alaska's forest resources to the State and the Nation. It is our plan to provide the necessary research capability in order to permit environmentally acceptable multiple-use management of Alaska's forests. A program increase for this purpose will be considered in the development of future budget proposals.

Sawmill Improvement Program

Question.--I have noted that through your Sawmill Improvement Program Federal-State teams have assisted more than 300 sawmills across the Nation since the program got underway last year. I am informed that only 2 mills were assisted in Alaska. Considering the importance of our Alaska timber industry, please tell me why only 2 Alaska mills were assisted under the Sawmill Improvement Program.

Answer.--Because of the limited funds made available to us for conducting this program, we had to place some constraints on the eligibility of mills to receive this service. The primary constraint was that the mills had to have the capability of producing from 10-25 million board feet of lumber per year. We could not service all the mills and we felt that mills in this size class would give us our best benefit/cost ratio.

There are very few mills in this size category in Alaska that are sawing standard sized lumber products. Many mills in Alaska saw cants for overseas shipment. Our Sawmill Improvement Program is not designed to serve cant mills. We did, by the way, bend our rules so to speak, by serving 2 mills in Alaska that saw less than 5 million board feet per year.

Forestry Assistance in Alaska

Question.--Under your cooperative forestry programs, you provide assistance to the State forester of Alaska and to private landowners, loggers, forest products manufacturers, and so forth. What is being done to provide technical forestry assistance to the Native Villages and Regional Corporations as they assume ownership of millions of acres of forest land in Alaska?

Answer.--The Forest Service is working closely with the State forester in developing programs in response to the Alaska Native Claims Act.

We will soon have foresters assigned in the Fairbanks and Anchorage areas to provide technical assistance. An Alaska Native has been hired as a technician to provide liaison between the Villages and Regional Corporations, and the Forest Service. Personnel in State and private forestry in Alaska will total 6 professionals and 1 technician. We estimate that at present 75 percent of their time is spent in response to, and developing programs for, the Alaska Native Claims Act. These personnel are supported by the general forestry assistance, forest management, and forest tree planting cooperative programs. The State forester has now assigned a man to provide technical assistance in cost-sharing programs and cooperative forestry to private landowners, including the Villages and Regional Corporations. Following are examples of technical assistance provided by the Forest Service and State forester to the Villages and Regional Corporations:

-- Preparation of an analysis of "Timber Resources Opportunities" for a Regional Corporation.

-- Development of a 3-day training session on forest industry and land management operation for the Kodiak village.

-- Present a 2-day seminar for the Alaska Native Foundation on "Framework for Decisions in Forest Resource Management and Utilization."

-- Development of a training program to present to Villages and Regional Corporations to develop forestry technician capability.

-- Conduct 2-day training and instruction for sawmill operators to assist them in sawmill alignment, sawing, and maintenance.

QUESTIONS SUBMITTED BY SENATOR WARREN G. MAGNUSON

Gifford Pinchot National Forest

Question.--What is the presently established annual allowable cut on the Gifford Pinchot National Forest?

Answer.--410 million board feet.

Question.--What will be the actual cut in the Gifford Pinchot during fiscal year 1975? Fiscal year 1976?

Answer.--The predicted cut for FY 1975 is 415 MMBF. The predicted cut for FY 1976 is 406 MMBF. Presently there is approximately 933 million board feet of regulated material under contract on the Gifford Pinchot National Forest. The actual amount cut is under the control of the purchaser and depends largely on market conditions and the log supply status of each purchaser.

Question.--If the actual cut is less than the allowable cut, please explain why the difference exists. What amounts above the budget requests would be necessary to bring the actual cut in line with the allowable cut in fiscal year 1976?

Answer.--The actual harvest (cut) is expected to be about the same as the annual allowable cut and the sell program. No additional amounts above the budget request are necessary.

Question.--Given sufficient funding and manpower, how much could the annual sustainable yield of the Gifford Pinchot National Forest be increased? When could that higher level be attained? What additional amounts would be required above the budget requests in fiscal year 1976 to reach that higher level?

Answer.--The average annual programed harvest could be increased by 24 million board feet -- to 430 million board feet per year. This would be achieved over the plan period in accordance with the following schedule:

FY 1979 thin 2000 acres -- earns	2.3 MMBF
FY 1980 thin 5000 acres -- earns	5.9 MMBF
FY 1981 thin 7000 acres -- earns	8.2 MMBF
FY 1982 thin 6500 acres -- earns	7.6 MMBF
	24.0 MMBF

Additional funding needed for FY 1976 would be $1,066,000 for completion of road survey, design, and construction contract for approximately 16 miles of roads needed to access 20,500 acres of area in need of precommercial thinning.

Beginning in fiscal year 1979, funding will be necessary to begin accomplishing this thinning.

Spruce Budworm

Question.--What additional funding, if any, does the Forest Service need in FY 1976 to cope with the spruce budworm problem?

Answer.--Such a forecast for the control of the spruce budworm is difficult to make at this time since the fiscal year 1976 situation will be largely dependent upon the course spruce budworm populations take this season, coupled with the ever-changing nature of the many biological and physical factors affecting population levels. It is entirely possible that we could find ourselves in need of an additional $6 million for spruce budworm suppression projects in the Western United States and Maine.

The current spruce budworm infestation encompasses approximately 124 million acres in Eastern North America and over 5 million acres in the West. The area designated for treatment in this year's proposed suppression project in Maine has had to be reduced by 1.5 million acres, because of a limited supply of available pesticides. Western spruce budworm populations are continuing to build up rapidly with the possibility that close to 500,000 acres will require treatment next year in the Western United States.

It must also be pointed out that it is both physically and monetarily impossible for the Canadians to spray more than a portion of the 118 million acres infested in Eastern Canada. As long as populations exist at such high levels, it is feasible that heavy moth flights could occur, bringing in large numbers of budworm adults. If such

flights do occur, the additional adults could serve to increase local budworm populations to a level where serious damage might again threaten this country's forest resources.

To undertake research at a level necessary to cope with the most urgent aspects of the spruce budworm problem would require $1,450,000 additional funds per year beginning in fiscal year 1976. The research would be concentrated in three areas. The first area is to field test promising pesticides to improve our short-term ability to suppress outbreaks; second, we would step up research to improve our capability to detect budworms and predict population trends; and third, we would begin work on long-term silvicultural controls designed to reduce the frequency and minimize the severity of future outbreaks.

DDT Substitute

Question.--What progress is being made in developing an effective substitute to DDT for controlling the tussock moth?

Answer.--We have made considerable progress in developing environmentally acceptable pesticides for use in controlling the tussock moth. Areas sprayed with natural virus and bacterium remained free of tussock moth one year after treatment; thus, these materials are highly promising for registration and operational use. Two chemical insecticides, Sevin-4-Oil and Dylox are also promising for registration.

Fourteen new chemicals have been screened in the field of which five were effective. Larger scale tests are planned for the five chemicals.

Reforestation

Question.--How many acres of Forest Service land require reforestation?

Answer.--As of the end of fiscal year 1974, 3.3 million acres were reported in the backlog of acreage needing reforestation.

Question.--How much is requested in the budget for reforestation and how many acres will be reforested in fiscal year 1976?

Answer.--The request for reforestation in the fiscal year 1976 budget is $28,712,000. This will fund the reforestation of 191,255 acres. In addition, funds collected under the provisions of the Knutson-Vandenberg Act will be used to reforest 336,828 acres of cutover land.

Question.--How much in excess of the budget request could the Forest Service use in fiscal year 1976 for reforestation? How many additional acres could be reforested with those funds? How many jobs would that provide?

Answer.--With the nursery stock and seed available to us for use in fiscal year 1976, we could increase our reforestation program to 200,000 acres, an increase of 8,745 acres over the budget request. This program coupled with the reforestation program funded by cooperative deposits authorized by the Knutson-Vandenberg Act will fully use the seedlings grown for planting in fiscal year 1976. Seedling production is being expanded in the nurseries to permit a larger

reforestation program in subsequent years. The Forest Service could use $34,528,000 for reforestation in fiscal year 1976, an increase of $5,816,000 over the budget request. This would fund the additional acreage and recognize the inflation-generated higher costs for labor and equipment use over the entire acreage. An additional 15 permanent Forest Service positions would be needed for administering the program increase. It is estimated that this additional program increase would provide one man-day of work per acre for planting, for a total of 8,745 man-days.

QUESTIONS SUBMITTED BY SENATOR HIRAM L. FONG

Ohia Decline

Question.--The Congress appropriated an additional $100,000 to the fiscal year 1975 budget estimates of the Forest Service to accelerate research on the ohia-lehua forests decline epidemic in Hawaii. How are these funds being expended? Also, please provide a breakdown.

Answer.--The Congress in fiscal year 1975 provided $100,000 for research on ohia decline. These funds are directed to the ohia decline problem together with other Federal funds and $50,000 appropriated by the State of Hawaii for each of the fiscal years 1975 and 1976. Of the $100,000, 27 percent was used in salaries, 60 percent in research operating expenses and transportation, and 13 percent in extramural research. These figures must be taken in the context that other support, previously mentioned, is also being applied to the research in an integrated manner.

Question.--The State of Hawaii is contributing to this program, as you know. At what level, in what form, and in what ways is this support being utilized?

Answer.--The State of Hawaii provides generous assistance to Forest Service research in Hawaii. Contributions by the State in funds, facilities, equipment and labor are approximately $321,000. Of this amount, about $115,000 is in direct support of the ohia decline research. This support provides funds to conduct research, laboratory, greenhouse and office space, temporary labor and equipment use, and a person-year of professional help. This State assistance is a vital and integrated part of the ohia decline research program. The University of Hawaii contributes laboratory space and the County of Hawaii provides a helicopter for aerial surveys of the extent of the ohia decline.

Question.--I understand that the rate of tree deaths in these native Hawaiian forests is very severe. Would you briefly explain the nature and extent of this problem?

Answer.--The ohia and ohia-koa forests on the island of Hawaii are suffering a severe epidemic known as "ohia decline." Over 200,000 acres are affected on Hawaii and the epidemic shows no signs of abatement. The specific cause or causes of tree death is not known. A combination of factors such as rooting fungi, insects, and low soil nutrient may be involved. Ohia and ohia-koa forests occupy nearly 1 million acres in the Hawaiian Islands. Loss of the dominant tree cover may have serious and long-term consequences. These

forests provide a variety of resource values, including watershed protection, timber, forage, recreation, and are the primary habitat for a variety of wildlife. The ohia and ohia-koa forests are critical to the survival of many of the rare and endangered honeycreepers that are found only in Hawaii. The potential for forest destruction is so extensive that it is critically important that the cause be determined, and if possible, remedial measures taken to protect the plant and animal life.

Question.--The fiscal year 1976 Forest Service budget estimate provides for the continuation of this research effort at the current level. How will these funds, and those anticipated to be made available from the State of Hawaii, be expended?

Answer.--These funds will be used to continue the existing program to find the cause or causes of the ohia decline and then to develop ways to control the problem.

Question.--In light of the severity of the ohia-lehua decline epidemic, can this research effort be effectively and efficiently increased so that means to control and reforest the affected areas will be found in time to save these forests? Please outline what such a program would entail along with cost estimates.

Answer.--The research effort can be increased. A cooperative planning effort by scientists and administrators of the Division of Land and Resources, University of Hawaii, Bishop Museum, and the Forest Service has produced plans for an expanded five-year program of research and development into causes and possible control of ohia decline. This coordinated plan would require an additional $250,000 per year to augment the $100,000 of Forest Service funds and $50,000 of State funds assigned to the program. The coordinated plan would accelerate current research and initiate new research in three major categories. These categories are:

(a) Determine the extent and severity of ohia forest decline.
(b) Determine causes of ohia forest decline.
(c) Develop and test methodology needed to prevent or control ohia forest decline.

Endangered Species Research in Hawaii

Question.--I understand there are 26 endangered species of birds in Hawaii, 19 of which inhabit Hawaii's forests. The President's fiscal year 1976 budget for the U.S. Forest Service requested $111,000 for protection of Hawaii's endangered species. Please give a breakdown of the use of these funds, including a list of the specific projects to be undertaken.

Answer.--Our plan is to focus research on several of the 14 species of honeycreepers--an endemic family of forest birds. For each species the research approach would include:

(a) Synthesis of existing information on the species and its habitat.
(b) Identification of specific gaps in knowledge.
(c) Research on specific aspects of food preference, cover requirements, competition with other species, behavior, population dynamics, and habitat improvement.

Question.--As you know, protection of endangered wildlife must be on a continuing basis. What amount has the Forest Service estimated for fiscal year 1977? Please provide a similar breakdown of these funds.

Answer.--We estimate that the Forest Service's continuing program of research to support the conservation of endangered Hawaiian wildlife will require an annual appropriation of $450,000. The research approach would be essentially the same as described for fiscal year 1976, but work could be started on several more of the many endangered species.

Institute of Pacific Islands Forestry

Question.--The Forest Service's Institute of Pacific Islands Forestry has within its jurisdiction the U.S. Trust Territories of the Pacific. Could you outline the Institute's responsibilities in this regard and outline some of its recent activities in the Trust Territories?

Answer.--The Forest Service's Institute of Pacific Islands Forestry has responsibilities for Hawaii and the islands of the Pacific Basin. These responsibilities include the development of cooperative forestry, the management and protection of indigenous forest types, watershed protection, fire protection, and rare and endangered species.

Recent activities on Guam include the development of nursery systems for tropical species, species trials for firebreaks in the Swordgrass type, and trials for amenity plantings. On Ponape the Institute is providing advice on nursery systems and species trials. On American Samoa the emphasis is on developing a nursery planting system to produce containerized Norfolk Island pine stock for Christmas trees.

CONCLUDING REMARKS

Senator BYRD. I want to thank you, Chief McGuire, and Secretary Long, for your testimony, and I want to express appreciation for the responses which you will provide to the questions that will be supplied on behalf of other Senators, as well as my own. Also, I wish to thank your other associates who have appeared with you.

SUBCOMMITTEE RECESS

We will now recess until 10:30 a.m. tomorrow, at which time we will hear the budget estimates of the Bureau of Mines and the Mining Enforcement and Safety Administration.

(Whereupon, at 1 p.m., Wednesday, April 2, the subcommittee was recessed, to reconvene at 10:30 a.m., Thursday, April 3.)

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1976

THURSDAY, APRIL 3, 1975

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

The subcommittee met at 10:30 a.m., in room 1114, Everett McKinley Dirksen Office Building, Hon. Robert C. Byrd (chairman) presiding.

Present: Senator Robert C. Byrd.

DEPARTMENT OF THE INTERIOR

BUREAU OF MINES

STATEMENTS OF:
HON. JACK W. CARLSON, ASSISTANT SECRETARY FOR ENERGY AND MINERALS, DEPARTMENT OF THE INTERIOR
DR. THOMAS FALKIE, DIRECTOR, BUREAU OF MINES

ACCOMPANIED BY:
DR. THOMAS A. HENRIE, ASSOCIATE DIRECTOR, MINERALS AND MATERIALS AND RESEARCH DEVELOPMENT
DR. JOHN D. MORGAN, JR., ASSOCIATE DIRECTOR, MINERALS AND MATERIALS SUPPLY/DEMAND ANALYSIS
WILLIAM D. OYLER, CHIEF, DIVISION OF BUDGET
FRANCIS M. WILES, DIRECTOR OF BUDGET, OFFICE OF THE SECRETARY

MINING ENFORCEMENT AND SAFETY ADMINISTRATION

STATEMENT OF JAMES M. DAY, ADMINISTRATOR

ACCOMPANIED BY:
JOHN W. CRAWFORD, ASSISTANT ADMINISTRATOR, COAL MINE HEALTH AND SAFETY
ARTHUR P. NELSON, ASSISTANT ADMINISTRATOR, METAL AND NONMETAL MINE HEALTH AND SAFETY
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ELWOOD THOMSON, CHIEF, DIVISION OF BUDGET AND FINANCE

BUDGET REQUEST

Senator ROBERT. C. BYRD. The subcommittee will resume its hearings. This is the time fixed for hearing the fiscal 1976 budget estimates of the Bureau of Mines. They total $143.3 million, and this is $10.4 million over appropriations to date for the current year. This increase involves 60 new permanent positions. The justifications have been included in part 1 of the record (pp. 607–711).

INTRODUCTION OF ASSOCIATES

Assistant Secretary Carlson is here and he has a statement. We will be glad to hear you first, Secretary Carlson. Your prepared statement will be printed in the record in its entirety, and perhaps you would like to highlight it. You may also wish to introduce those with you at the witness table.

Mr. CARLSON. I will be pleased to do so, Mr. Chairman.

The very distinguished colleague of mine, Dr. Tom Falkie, will testify as soon as I am through with my brief comments, heads up the Bureau of Mines; and Mr. Jim Day, who heads up the Mining and Safety Enforcement Administration. You will hear from Dr. Vince McKelvey on another occasion. That is the third Bureau I have responsibility for that will be appearing before your committee.

There is a possible fourth bureau if the surface mining reclamation legislation is passed, at which time we will undoubtedly have the responsibility of coming before you on that particular item, if it should become law, and we may be back to you rather quickly to carry out any schedule that is written into that law.

I am pleased to appear before you. I am the line Assistant Secretary within the Interior Department, and I do have oversight responsibilities for these bureaus, and I very strongly feel the accountability of each one of us in that role to the Congress.

I would like to make a couple of points.

RESPONSIBILITY FOR MINERAL RESOURCES

As you know probably better than any other person in the Congress, the responsibility for mineral resources lies with the Interior Department and with the Bureaus that appear before you. This responsibility has been in the Interior Department for well over 100 years.

The Geological Survey has the responsibility for the geologic conditions and definition, reconnaisance, exploration and oversight of development, and the Bureau of Mines has the responsibility for development of mining research, mineral processing, material and recycling. Both of them have responsibility in the R. & D. in those particular areas, and the Mining Enforcement and Safety Administration has the regulatory and enforcement side, the technological support, both for equipment and procedure within the extraction industry, and the training responsibilities.

The point is that there are many objectives that the citizens of this country demand in this particular sector. They have become worried since the oil embargo that we experienced of October 1973, about the availability of natural resources. Oil became the resource of interest to us, but we went through other resources to check on our vulnerability. I

had the pleasure to chair a review of over 100 of our commodities and see how vulnerable we are in other particular areas and we found a few others that we should be concerned about and take some steps to protect ourselves against man-caused scarcities or unreliable sources and nature caused scarcities and unreliable sources.

I think society very much wants us to be concerned about the adequacy of the resources to fuel the American economy at a reasonable price. At the same time, we clearly have the objective of protecting the environment, and we have responsibility for that, and correctly, when it deals with the public lands. We clearly have responsibility for improving health and safety of those involved in the process of bringing these mineral resources to the American consumers. We clearly have responsibility to conserve resources for not only this generation but for future generations, and not to use them excessively.

MANAGEMENT OF MINERALS RESPONSIBILITIES IN ONE LOCATION

I feel that by having the management of the minerals responsibilities for the Federal Government in one location, the sum of the parts is greater than the whole, because each of these bureaus, as well as offices within Bureaus, react with one another, and more can be accomplished to carry out these multiple objectives that our society must have. You see it all the time in terms of R. & D. I see it in terms of the Bureau of Mines R. & D. program where you build in healthier and safer conditions in the new machines that will come on board in years ahead, and you may have greater advances in doing that than you do with some of your alternatives in terms of current technology. You can build in environmental protection by looking at your R. & D. and looking ahead as well as building in productivity improvement.

HEALTH AND SAFETY

In the case of health and safety, obviously, we are trying to reduce death and accident rates of all kinds but we can have an impact on how we carry out that responsibility on the environment, especially how we carry out our oversight responsibilities in terms of how impoundments are handled. Obviously, if we have arbitrary rules, regulations and implementation steps, we can impact upon the instruction of the resource for the American economy.

In the case of OCS we see the same thing on the different objectives we are all trying to pursue.

Mr. Chairman, we won't have time to go through the initiatives that we have built upon, the 100 years experience that we have had, the initiatives that have come into being in the last year or so. They are extensive, they are widespread, they range from better information, better information here in this country and abroad, because these are world traded mineral resources, upgrading the health and safety aspects, reviewing the R. & D., making sure that the composition of the R. & D. expenditure is going in the right direction, meeting with industry and labor on each one of these components, very widespread major effort to improve the management of the funds that the Congress has given to us today as well as the proposals that we have in the budget which the Bureaus will present to you.

51-957 O - 75 - pt. 3 - 47

I also might mention that in this process we are looking forward, as I know you are, to the National Mine Health & Safety Academy, 50 percent completed now. We are working on the curriculum. We are looking at complementary activities with their enterprise in terms of what other bureaus might perform there.

So I guess the one message that I would like to give to this committee is that it is imperative now not to fragment mineral management across the Government or out of the Government as well, as it is important to improve the viability of the programs and the effectiveness of the programs that we manage. The Congress is considering many ways to fragment this oversight management and I think it is important from the country's standpoint to be very cautious about that.

Thank you, Mr. Chairman.

PREPARED STATEMENT

Senator ROBERT C. BYRD. Thank you, Mr. Secretary. Your prepared statement will be inserted at this point.

[The statement follows:]

Mr. Chairman, Members of the Subcommittee, thank you for giving me this opportunity to present an overview of the activities and programs under my jurisdiction as Assistant Secretary of the Interior for Energy and Minerals.

Within the Interior Department, we look at the various operations that supply the Nation with minerals and fuels as parts of a system. The system begins with the geologic definition of mineral or fuel occurrences, and ends, not with use of a mineral or fuel product, but with its recycling for further use and with the restoration of the land from which it came.

The first parts of this system, from geologic definition, through reconnaissance, exploration, and, in many instances, into development, are the realm of the United States Geological Survey. The province of the Bureau of Mines begins with development and extends through mining, mineral benefication, extractive metallurgy, materials development, fabrication, manufacturing, and into the use and recycling of materials and the restoration of mined land. The regulatory, training, and technical support functions of the Mining Enforcement and Safety Administration (MESA) come into play at many points in the mineral cycle, wherever the health and safety of mineral industry workers are involved.

As you can see, the programs of the Interior Department for which I have responsibility cover every aspect of the domestic industrial operations on which America depends for adequate supplies of minerals and fuels. These programs are completely interdependent. Research on mining interfaces with research on mineral exploration; extractive metallurgy with materials development, with fabrication, and even with recycling; and safety enforcement and safety training with all of the others.

Federal responsibilities in the mineral and fuel extraction industries are in one Department -- the Department of the Interior. This has allowed us to retain a flexibility and rapidity of response capability which enables us to meet crisis situations. During last fall's prolonged coal strike, we were able to quickly marshal the expertise of the Bureau of Mines and the special knowledge available in MESA to continuously monitor the impact of the work stoppage on miners and fuel supplies in every corner of the country.

In other areas, we have initiated major efforts to improve data collection and analysis in the field of mineral resources, to review our research and development programs, to upgrade all our leasing and procedures and to improve inspection and regulation. We are upgrading our efforts to do an even better job than we have done during the more than 100 years that the Department of the Interior has performed at the mandate of Congress.

Several elements of these programs warrant elaboration:

1. Analytical efforts on selected imported minerals are being intensified to determine specific potential problems with these commodities, to assess the impacts on our economy if shortages should occur or prices climb, and to develop policy options to ensure adequate supplies at reasonable prices. Studies have already been completed on a number of minerals, such as oil, coal, copper, platinum,

and plutonium. We have completed economic modeling on these minerals, using industrial inputs to complement our own analytical capabilities. This work has identified policy options which include combinations of domestic production, imports from reliable sources, including the ocean floor, increased production capacity, recycling, and stockpiling. These analyses are suggesting new government research and development thrusts, new leasing and regulatory policy.

2. Information and analysis of domestic and international sources of critical minerals and materials is being expanded because what happens abroad affects the well-being of all Americans. An expanded minerals attache program operating within the State Department is offering us more firsthand data concerning foreign mineral activities. Upgrading the Department's ability to analyze minerals availability will provide a better understanding of short- and long-term mineral supplies. Long-term analyses will also provide guidance for research and leasing of Federal lands and OCS.

3. Our expanded forecasting capabilities focus on U.S. and world mineral markets to make sure that U.S. Government decision-making is based on fact.

4. Analyses of future requirements for the national and international transportation network to handle anticipated mineral and fuel supplies is included. We cannot expand the mining industry without improving the capability of the transportation industry to move its products to market efficiently, economically, and reliably. Therefore, we are working with the Department of Transportation on evaluations of integrated systems of rail, waterway, pipeline, and ocean carriers to meet these needs. We seek to avoid future bottlenecks.

5. Evaluations of Government legislation, regulation, or actions that artificially stimulate the use of primary raw materials at the expense of recycled materials offer us unique opportunities to broaden our domestic resource base. Elimination of these barriers wherever possible would enhance our minerals posture.

6. In research and development, we are taking steps to assure that our existing efforts are properly focused to meet the new challenges in minerals and materials. Some redirection of our R&D effort was undertaken since it is clear to us that an important source of substitutes for imported commodities in short supply would be commodities from the United States itself.

7. We are developing revisions in the basic mining and mineral leasing laws which affect production of coal, oil and gas, and other minerals on the public lands. These changes will accommodate to modern exploration techniques, further encourage mineral development on public lands, and provide stringent environmental protection during minerals exploration and development operations. Diligence and regulatory responsibilities are being reviewed to assure that the timing and conduct of development are in accord with the soundest of public policy.

8. It is now feasible to recover mineral resources from the ocean floor. Steps need to be taken to allow America to tap this source. Hopefully, the Law of the Sea Conference will set the ground rules. If the Conference does not set these ground rules, this Nation must assess its own next step.

9. With our dual, and often conflicting, national objectives of improved environmental quality and increased minerals production to satisfy consumer demand, we wish not to sacrifice either objective. Through close working relationships with EPA, we are attempting to develop more meaningful standards and regulations supporting both goals.

10. Minerals and fuels policy are frequently impacted by developments in policies concerning labor, tax, antitrust, science, trade, and international relations. Each of these policy areas bears greatly upon the availability of minerals and fuels from domestic and foreign sources.

Consequently, we are cooperating closely with other agencies to increase their awareness of minerals and materials concerns in all policy considerations.

Over and above all of these important directions in which our work effort is being channeled is the concern for the health and safety of the miner. It is my personal feeling that the human is the most important part of this equation, and that we must put health and safety at the very top of all our planning. Research and development of new and improved equipment, and the training of miners and federal inspectors are pathways that lead to better health for miners and to safer mines.

Men, machines, and extraction must be considered together to build into our mining industry the very best health and safety conditions while extracting the mineral resources which this country needs. In MESA, we not only deal with the resources of the earth, but with our most precious resource, man himself. MESA has been in operation less than two years. We do see reductions in the death and injury rates throughout the mining industry, and certainly the increased frequency and thoroughness of inspections is a part of that picture.

Improved health and safety training is being made available to an ever increasing work force, and we must remember that this work force will continue to grow as the Nation continues to shift its energy needs onto the coal resource.

The National Mine Health and Safety Academy at Beckley, West Virginia, is now 50% complete and we are working on its curriculum.

MESA has demonstrated ability to deal with specific hazards -- examples are the use of protective cabs and canopies for heavy equipment, the respirable dust-monitoring system, and analysis of accident trends and causes.

Some of the major problems facing MESA in the coming months are:

- o Continuing competition with industry for qualified inspectors is becoming increasingly difficult, particularly in the coal industry.

- o Upgrade capability of MESA inspections toward greater professionalism.

- o We must intensify and expand inspections and inspector presence, especially in the metal and nonmetal mines.

- o Training and education of new industry employees is of paramount importance due to the expanding workforce and the fact that the new employee is most susceptible to injury.

Mr. Day is here with me today. He will be glad to discuss the budget for MESA with your committee in whatever detail you wish.

The proposed increases in appropriations for the Bureau of Mines indicate our continuing determination that mining will become an inherently safer and more healthful occupation, and our awareness that the United States must strengthen its ability to satisfy its mineral and fuel needs from its own resources. The increases requested represent three major thrusts of the Bureau's total effort. We will step up research on health and safety problems in all kinds of mining operations -- research that already is yielding important new developments. We intend to advance the Bureau's cooperative efforts with industry to develop new technology that will improve our ability to meet our requirements with our own resources. Bureau research to improve coal mine productivity, for example, will help assure that coal is available in quantity as the Nation turns to it to meet energy requirements. Finally, we intend to strengthen the Bureau's factfinding programs so we can better anticipate future developments in the minerals and fuels area. Dr. Falkie, Director of the Bureau of Mines, will discuss that facet of our budget request more fully.

The Fiscal Year 1976 appropriation request for the Geological Survey is aimed at expanding Earth Science Data and information on the Nation's land, fuels, minerals, and water resources, and at strengthening the supervision of mineral leasing operations on Federal lands, including the Outer Continental Shelf. In recognition of the need to solve the Nation's energy problems in an environmentally sound way, the Survey's energy research and development programs will focus on defining the impact of oil and gas, coal, oil shale, and geothermal resource development and nuclear energy development on the land and water environment. Additional efforts will focus on assessing availability of water supplies needed to extract, develop, convert, and transport energy resources and reclaim the land after development. Because the formulation of national energy and critical materials policy is dependent upon knowledge

of available resources, the Survey's Fiscal Year 1976 program will continue to improve and refine resources estimates of oil and gas, coal, and other energy resources as well as those of critical minerals. Since large deposits of energy and minerals resources are located on public lands, the Survey's onshore and offshore tract selection evaluation and regulatory program will be strengthened to support the leasing activities of the Bureau of Land Management, particularly in frontier areas of the Outer Continental Shelf.

Whenever your Committee is ready to hear the budget request for the Geological Survey, the appropriate officials will be glad to discuss their budget with you.

Mr. Chairman, before asking you to hear the presentations of Mr. Day and Dr. Falkie, I want to stress the importance of maintaining a cohesive and coherent minerals program. We need to improve the program; we need to expand the program in some ways; we need to strengthen it -- but we should not fragment it.

The Bureau of Mines, the Geological Survey, and MESA are integral parts of a functioning entity. We have made great progress in making our operations more integrated, more efficient, and more capable. We will make even greater progress. To separate any part of this organization would seriously weaken the whole at a time in history when America's reliance on this organization is truly critical.

Mr. Chairman, the nation can continue to rely on the experience and the seasoned capabilities that have been developed in the Department of the Interior over decades of diligent and productive effort on the public's behalf.

IMPACT OF COAL STRIKE

Senator ROBERT C. BYRD. You refer to the impact of the work stoppage on miners and on full supplies. Tell us about last fall's coal strike and what the impact was.

Secretary CARLSON. Mr. Chairman, we developed a very extensive information base so that we could appreciate what the implications of the strike were at that particular point in time on the miners as well as on the greater economy. The strike ended before there were very serious curtailments that would go through the electric power sector and thereby back to manufacturing. The strike ended before that occurred. So the impact was primarily in the coal industry itself, some in the railroad industry, and some in the steel industry with inadequate coke supplies.

So the impact upon the gross national product was running at an annual rate, much, much smaller than it would have been if it had extended another 4 weeks. As I recall the figures, and I will be glad to double check them, it was an annual rate of $1 or $2 billion.

Senator ROBERT C. BYRD. How much shortfall did we experience in the production of coal tonnage?

Secretary CARLSON. How much production we missed? By having the strike?

Senator ROBERT C. BYRD. Yes.

Secretary CARLSON. That is very difficult to estimate because people build up their stocks in some areas, though not in all, in anticipation of a stoppage, and afterward there was considerable comeback in production, and you might have had more activity than you would have otherwise had. So it is very difficult to go ahead and estimate how much production net you had because of the stoppage and because of the build up ahead of time and the catchup afterward.

I do not think, except for the modest impact—modest, I say, in terms of total gross national product of the country—at the time of the strike that the impact was major.

Senator ROBERT C. BYRD. Was what?

Secretary CARLSON. Was in any way a major factor.

COAL PRODUCTION

Senator ROBERT C. BYRD. How many tons of coal were mined last year?

Secretary CARLSON. About 600 million tons were produced. If you ask what the coal industry could have produced during the time of the strike, you are talking on the order of 30 million tons additional. However, as we find out with our statistics now, production did run a little ahead of consumption last year and we had net build up in stocks last year. So on terms of the economy demanding the resources, that is the relevant question, and that is the one where I indicated that it probably did not have a significant impact.

Senator ROBERT C. BYRD. How many tons of coal were mined the year before?

Secretary CARLSON. It was roughly 1.4 percent less, about 592. We have been running about 1.5 percent growth in coal production for the

last 10 years. The next 10 years we anticipate we need to grow at 7.2 percent if we achieve the definition of independence that has been discussed in the press and promulgated by the President.

Senator ROBERT C. BYRD. You can't do that, can you?

Secretary CARLSON. Mr. Chairman, it is feasible if you can remove a lot of barriers in the way of achieving it.

Senator ROBERT C. BYRD. Yes; that's it.

EMPLOYMENT IN COAL INDUSTRY

How many men are employed in the coal mining industry today?

Secretary CARLSON. About 150,000 now.

Senator ROBERT C. BYRD. Does that include anthracite?

Secretary CARLSON. Yes.

Senator ROBERT C. BYRD. How many would you need to produce 1.2 billion tons of coal annually?

Secretary CARLSON. You will undoubtedly—I think you would go close to doubling. Of course, the big thing here, Mr. Chairman, is that the average age of the miner has been fairly high up until recent times, consequently we will have a much larger turnover of miners and a greater need to familiarize these younger miners. We will also have some improvement in productivity, we feel, and you will change somewhat the mix between surface and underground which would reduce the number of miners that one would need.

MIX BETWEEN SURFACE AND UNDERGROUND MINING

Senator ROBERT C. BYRD. What is the mix now, and what do you anticipate the mix becoming?

Secretary CARLSON. It is about 50–50. I will be pleased to put in the exact numbers. We see some gradual shift toward surface mining versus underground mining, though not as dramatic as a lot of people have discussed, and I think, as I recall the figures, on the extrapolations, around 60 percent is what we expect on surface, 40 percent on underground.

Senator ROBERT C. BYRD. You mean 10 years from now?

Secretary CARLSON. Yes.

Senator ROBERT C. BYRD. And shifting to that ratio in the meantime?

Secretary CARLSON. Yes. So you are talking about maybe a 1 to 2 percentage point shift in the composition of coal coming from surface versus underground each year.

Senator ROBERT C. BYRD. How much?

Secretary CARLSON. One to two percentage point shift.

Senator ROBERT C. BYRD. It would be more than that, if it is 50–50 now and it is going to shift to 60–40.

Secretary CARLSON. It would be about a 1 percentage point change per year.

Senator ROBERT C. BYRD. Oh, yes. What do you think the chances are for doubling that manpower pool?

Secretary CARLSON. Mr. Chairman, it is going to take the full efforts of the Congress and the executive branch to achieve it. However, we are dedicated to trying, and let me indicate why. If in fact we grow at

the rate that we have grown during the last ten years, during the next ten years we will need to import 6 million barrels a day more oil because that is the difference in terms of replacement of coal for oil by going up to that 1.2 billion tons per year figure by 1985.

Senator ROBERT C. BYRD. Would you say that again, please?

Secretary CARLSON. The equivalent, if you grow at the same pace and compare that with the 7.2 percent pace, the 1.5 growth rate versus 7.2, the difference is equivalent to 6 million barrels of oil in 1985 and we expect to back out the imported oil and consumption by 8 million barrels a day.

Senator ROBERT C. BYRD. You expect to what?

Secretary CARLSON. Back out to the tune of 8 million barrels a day.

Senator ROBERT C. BYRD. What do you mean by "back out"?

Secretary CARLSON. Not have to be dependent upon oil. Coal would have replaced it or to some extent nuclear and others. Three-fourths of the achievement of Project Independence is associated with achieving that coal objective. You can't get there if you do not remove some of the barriers and grow the production of coal.

COST OF OPENING A DEEP MINE

Senator ROBERT C. BYRD. The cost of opening a deep mine today is what—$20–$30 per annual ton? I think that's in the ball park.

Secretary CARLSON. Yes; probably a little higher than that, even.

Senator ROBERT C. BYRD. What would you say it would be?

Secretary CARLSON. I think $20 to $40 would be a figure.

Senator ROBERT C. BYRD. Does that depend on the location, the area of the country?

Secretary CARLSON. Yes; that does have an impact. and on the detailed question I would be pleased to turn to my colleague Tom Falkie.

Senator ROBERT C. BYRD. Yes; all right.

Dr. FALKIE. Of course, Mr. Chairman, the cost of opening up a new coal mine depends upon whether it is a surface mine or underground mine, so the surface mining would be on the lower part of the spectrum and perhaps in some cases even lower, and the underground mines as they get deeper and so forth would be toward the higher part of the spectrum. In some cases for underground mines, it would be $30 to $35 per annual ton. For surface, $15 to $20 a ton. But they are rising rapidly each year with the inflationary effects, and also the increased capital intensiveness of the industry.

Senator ROBERT C. BYRD. So you are saying that in West Virginia or Pennsylvania it would cost $30 to $35 per annual ton to open a deep mine?

Dr. FALKIE. Yes.

Senator ROBERT C. BYRD. Would it cost more than $35?

Dr. FALKIE. In some cases it could, depending upon the geologic conditions and the quality of coal.

Senator ROBERT C. BYRD. And for a new surface mine it would cost $15 to $20?

Dr. FALKIE. Yes.

COMPARATIVE OPENING COSTS

Senator ROBERT C. BYRD. What did it cost, say, 15 years ago?

Dr. FALKIE. Well, of course, it was appreciably less, Mr. Chairman, to open up an underground mine 15 years ago. I can take a guess on what the numbers might have been, probably on the order of perhaps $10 to $15 per annual ton.

Senator ROBERT C. BYRD. I wish you would take a look at that and correct that. I think it was less than that. I would say it was probably $7 to $9 or $7 to $10. Would you check that out?

Dr. FALKIE. We will be happy to.

Senator ROBERT C. BYRD. I may be wrong. I would like to have the correct numbers in the record.

[The information follows:]

Capital Cost of Opening Underground
and Surface Coal Mines

The Bureau of Mines Process Evaluation Group estimated capital investment cost per ton of production for underground mines of varying sizes in 1974 dollars. For mines in 72 inch coal, with no loading or preparation facilities included, the capital investment per annual ton of production for a 1 million ton per year mine was $20.62. When annual capacity was increased to 2 million tons per year, the cost per ton was $17.47. Inclusion of minimal loading facilities would increase these figures to a minimum of $21 and $18 per ton respectively.

The capital investment cost per ton of production for coal mines with preparation plants that incorporate washing and drying facilities is substantially higher. J. F. Core, Vice President-Coal Operations, U.S. Steel Corporation in June 1974 stated that the cost of a new mine was about $25 per annual ton of coal produced. This cost was affirmed that same month when Emerald Mines Corporation announced a new mine to produce 2 million tons per year of metallurgical coal with cost estimated at more than $50 million.

For surface mines the cost is affected by size of mine, location or terrain, and thickness of the coal. A mine in the Eastern province with capacity of 4.8 million tons annually had an estimated capital investment of $12.72 per ton in 6 foot coal. With the same bed thickness a mine in the Interior province producing 6.7 million tons requires capital investment of $11.42 per ton. In the Northern Great Plains a mine to produce 9.2 million tons annually from a 25 foot bed requires investment of $6.12 per ton. Loading facilities would increase costs at all of these mines.

In the 1960 - 1965 period the capital investment cost per ton for deep shaft mines with preparation plants in Buchanan County, Virginia, was $12 - $15 per annual ton of capacity.

COST OF ACHIEVING COAL PRODUCTION GOAL BY 1985

To achieve the goal of 1.2 billion tons of coal production by 1985 will require a cumulative capital investment of nearly $16 billion in 1973 dollars. Approximately one-fourth of the investment will be needed to replace capacity of mines that will be worked out during the next 10 years.

COST OF ADDITIONAL TONNAGE

Senator ROBERT C. BYRD. How much money is it going to take at today's prices to produce this additional tonnage? How many new mines will have to be opened? Give me some idea of the job we have ahead.

Secretary CARLSON. There has been an estimate of 250 new mines that has been made. However, given the optimum size of mines in the future and the fact that the mix will turn more toward the surface mine gradually, I would think it would be somewhat smaller than that. Last year we did have a growth of small mines, about 900 essentially small mines, so we are talking about the optimum size. If all the additional coal was mined in optimum-sized mines you would have something short of 250, but we are not trying to foster a lack of competition.

Senator ROBERT C. BYRD. What kind of money are we talking about here?

Secretary CARLSON. We would be pleased to give you our latest estimate. I don't have it handy. Obviously this requires a heavy capital investment because this is becoming a more capital-intensive industry. Capital costs are becoming a larger part than operating costs.

PRODUCTION OF OPTIMUM DEEP MINE

Senator ROBERT C. BYRD. When you speak of an optimum deep mine, how much production are you talking about? You said, taking the optimum tonnage you would require about 250 new mines. What kind of tonnage are we talking about?

Dr. FALKIE. We are talking about surface mines on the order of 5 million tons per year and up, and underground mines, 1, 2, 3 million tons, perhaps, even slightly larger than that in many cases.

Secretary CARLSON. Some of the new mines would get up into 10 to 12 to 14 million tons.

Senator BYRD. Do you have many deep mines that produce 3 million tons annually?

Dr. FALKIE. There are some. I don't know the exact number but we could furnish that for your record. Senator, also, there are a few.

Senator ROBERT C. BYRD. So in opening a new deep mine that would produce 3 million tons annually, that would mean a cost of better than $100 million?

Secretary CARLSON. Yes.

Senator ROBERT C. BYRD. For a surface mine that would produce 5 million tons a year that would be in the neighborhood of $100 million?

Secretary CARLSON. Yes.

LEADTIME TO OPEN A MINE

Senator ROBERT C. BYRD. How much time is required to open a new deep mine of this size?

Dr. FALKIE. There is an appreciable leadtime involved, Senator. Perhaps more in underground mining than in surface mining, but at the present time, with the backlog of large surface mining equipment, there might be a lead time of say 4 to 5 years and in some cases longer, depending upon the regulatory type activities that the people who start up the mines need to go through.

In underground mining I would say the very minimum of 4 to 5 years would be needed from the time you decide or start planning a mine.

Secretary CARLSON. If you didn't have the equipment barrier, it could be, say, a 3-year cycle. On the surface mining you have got the equipment problem even to a greater extent in terms of large stabbing shovels and drag lines.

Senator ROBERT C. BYRD. So what are you talking about when you think of opening a new surface mine in terms of time?

Secretary CARLSON. You probably—with the equipment problem you have now, you probably would anticipate 5 years.

Senator ROBERT C. BYRD. That much?

Secretary CARLSON. Yes, though it could be quicker. You know, you could take less optimum equipment and open it and with the productivity you would expect you can go with less optimum equipment. You don't always need the larger shovels.

Senator ROBERT C. BYRD. So you are talking about, then, how long?

Secretary CARLSON. You could open some of those in 3 years. You can also, in terms of taking the near term requirements, taking care of them, you can expand existing mines and you do that much more rapidly than you can open new mines.

EQUIPMENT SHORTAGE

Senator ROBERT C. BYRD. When you speak of shortage of equipment, what are we talking about?

Secretary CARLSON. Well, of course, the very large shovels take a considerable period of time, and we do have bottlenecks in the steel industry on making the parts for that equipment, and until the steel industry builds to overcome that bottleneck—and they are now—then we will have these backlogs, and some of the backlogs go over 5 years.

Senator ROBERT C. BYRD. What about roof bolts?

Dr. FALKIE. That is not an immediate problem, Senator. It was about a year ago. But there are some problems with underground mining equipment, problems with getting bearings and different cast steel and so forth—even today, equipment manufacturers tell us, even through the general economy is down and generally speaking the overall general equipment situation is kind of alleviated. There are still problems with mining equipment in certain types of parts.

Senator ROBERT C. BYRD. Looking at 250 new mines, can you project an estimate of the cost?

Dr. FALKIE. To use the rough number of $25 a ton, just for coal mines, and you multiply that times 600 million tons, you get something like $15 billion just for the mines themselves. But, as you know, in order to achieve this goal a number of other constraints are going to have to be overcome, an example of which is the transportation system in the Northeast part of the country, so there are going to have to be substantial investments in other parts of the economy in order to achieve this 1.2 billion tons.

Senator ROBERT C. BYRD. Yes. I was going to get to that. You say it would cost something like $15 billion to start these new mines that will be needed to raise this tonnage to 1.2 billion tons per year, which is doubling the present tonnage?

Secretary CARLSON. That is a minimum figure.

Dr. FALKIE. That was just using 600 million times $25, and of course we know we have to replace some of the capital for mines that are now going out of production. So it was kind of a back of the envelope estimate, but we will provide for you the numbers that we are now developing in conjunction with this 1.2 billion ton estimate. We might point out that this 1.2 billion ton estimate was developed almost a year ago now by our coal task force; and, frankly, if we don't start cracking on removing some of the demand and supply constraints, that estimate is getting more and more obsolete for 1985, and worse as time passes.

DEMAND AND SUPPLY CONSTRAINTS

Senator ROBERT C. BYRD. What are some of the demand and supply constraints?

Secretary CARLSON. Well, we do have obviously first on that list—what we need has to be the ability to burn coal, the ability to burn the coal without any violation of health standards at all. Two, the generalized approach that we took with the environmental quality regulations, we now realize they cost us something. We have to allow some intermittent burning of coal and controls in rural areas, and have to take into account deadlines in which certain objectives have to be achieved, and these have to be modified to allow coal to be burned.

We have a very immediate problem this year of States having a much higher standard than the Federal Government, and those higher standards can have an impact upon coal use this summer. The Environmental Protection Agency has been working with the Congress to suggest amendments to the Clean Air Act and with the States to reduce some of those barriers.

CLEAN AIR ACT

Senator ROBERT C. BYRD. What are the modifications that you are working toward?

Dr. FALKIE. Such things as intermittent controls. There has been some suggestion on tall stacks, but the intermittent control and the area type control are some of the types of amendments that are proposed in the Clean Air Act.

Senator ROBERT C. BYRD. Can you elaborate?

Dr. FALKIE. We feel, or many people feel, Senator, that the primary health standards for sulfur dioxide emissions will not be exceeded if we can amend the Clean Air Act such that we can allow for the fact that sulfur dioxide emissions vary from area to area, and in the less dense areas we could go with other control mechanisms to assure the primary standards are met.

But the problem is that the States—that is some of the States—have State implementation plans, immediate State implementation plans, due this June, that are more restrictive than some of the primary and secondary standards that the Environmental Protection Agency has recommended. There have been estimates made by various governmental agencies on what impact that would have on the amount of coal that would be usable. There has been some change on the part of some of the States, and I believe the Environmental Protection

Agency is still concerned that maybe on the order of 60 million-plus tons of coal production is still in jeopardy even at this time.

The Bureau of Mines did an estimate a couple of years ago, where we thought 200 million tons would be impacted out of 600 million tons production. The FPC said 300 million tons would be impacted. So that number has been coming down, but we are still concerned about what is happening right now, this June. We feel that for the longer term, the next 10 or 15 years, that something has to be done about allowing different types of controls on an area to area basis, still without affecting the primary standards.

PRIMARY AND SECONDARY STANDARDS

Senator ROBERT C. BYRD. For the record, distinguish between the primary and the secondary standards.

Dr. FALKIE. The primary standards are those which affect the health, or supposedly affect the health of individuals.

The secondary standards are standards that do not necessarily affect the health but affect the so-called general safety and environmental conditions. I don't have the numbers here, Senator. I would be happy to provide those for the record, the precise numbers. It is complicated because of Btu sulfur content relationships in coal.

Senator ROBERT C. BYRD. Yes, if you would do that, please, so we will have a good record on what these standards are and the impact they are having on coal production.

[The information follows:]

PRIMARY AND SECONDARY ENVIRONMENTAL STANDARDS

Primary standards were designed to "protect public health" through the reduction of pollutants (primarily sulfur oxides from fuels combusion) that affect breathing and the lungs.

Secondary standards are to protect other values (principally ecological such as property and vegetation).

The Clean Air Act established a deadline for compliance by stationary sources (electric utilities and other stationary plants, as distinguished from mobile sources) with State Implementation Plant (SIP) requirements by mid-1975, with extensions possible up to mid-1977 (Primary standards).

The widely publicized emission standard, "1.2 pounds of sulfur dioxide per million Btu" was promulgated by EPA for New Stationary Sources as detailed in Title 40, Chapter I, Part 60, CFR. The standard pertains to solid fossil fuels burned in steam generators, incinerators, nitric acid plants, and sulfuric acid plants which initiated construction or modification after August 17, 1971.

Primary and secondary national ambient air quality standards were promulgated by EPA for the several Air Quality Regions. See enclosed Table I.

SIP's are established by the respective states and approved by EPA. SIP's regulate individual emission sources so that the total emissions in an area will not violate the national ambient air quality standards. Standards that will be in effect by mid-1975 range from .15 to 6.0 pounds sulfur dioxide per million Btu.

SIP's included "constant" emission limitations as distinguished from "intermittent" controls—such as the relaxation of standards except during atmospheric inversions and the use of tall stacks) to assure attainment and maintenance of the standards. However, because they had only nine months in which to prepare their plans, emission limitations often were set without sufficient analysis. Some were based on what was "actually needed" to meet the standards. Also, in some cases limitations that were developed for a known polluted urban area were applied to all areas of the State, regardless of the need for such stringent emissions limitations.

As a consequence, many of the limitations are considerably more stringent than required to meet the standards. These now are classified as "overkill", and recognized as such by the EPA. They have significant adverse impacts on energy use and on local, regional and national economics.

In order to comply with the overly stringent limitations, coal users who customarily used other than low-sulfur coal either will have to switch to low-sulfur coals or low sulfur oil (if either is available) or install air pollution control equipment. Unfortunately at the present time very little of either is available. In these circumstances if the SIP requirements go into effect in mid-1975, so that the burning of large quantities of higher sulfur coals which do not meet permissible standards becomes unlawful, there will be a large deficit in coal supplies, with a correspondingly large decline in coal production. The latter is estimated to approximate 200 million tons on an annual basis, 100 million tons for the last half of 1975, unless there are variances from the requirements such as the elimination of the overkill, variances from some of the other standards, additional supplies of permissible fuels, or the installation of pollution control equipment. The latter two alternatives are not likely to be of significance in such a short period.

To relieve the urgency of the situation, the EPA expects to make continuing progress, with the cooperation of those states which are amendable, in further reducing some of the approximately 135 million tons of "overkill," having effected changes to date equivalent to around 50 million tons. In addition, the EPA has provided compliance date extensions to some power plants which cannot meet SIP requirements by the statutory deadline. Also, the Energy Resource Council has allowed power plants that can reliably utilize intermittent control systems to use them through 1985 (this could affect between 18–70 plants).

Within the short time between now and mid-1975, it is probable that the coal deficit still could approximate, at best, between 75–100 million tons on an annual basis (35–50 million tons during the last half of 1975).

Whatever the effect of the above measures may be, there will continue to be major uncertainties as to their permanence and to the current and future impacts of SIP's. So long as there are deficits resulting from air quality standards they will impede the development of the nation's coal resources. Industry, and investment sources, will not know whether to invest capital to expand coal production significantly if high-sulfur coals will have no market or unless emission control processes become available and are installed in large quantity. On the other hand, producers of low-sulfur coal will be hesitant to make additional large-scale investments since the need for their product, and their potential profitability, may be reduced if and when the stringent sulfur limitations are relaxed. As long as there are coal deficits there will be continuing pressures to burn low sulfur oil. Also, there will be continuing hesitance to install costly stack gas scrubbers because they might not be necessary under some of the relaxed standards.

Secondary standards. The timing for effectiveness of the secondary standards is "as soon as practicable after primary standards have been met." Accordingly, since the primary standards have not yet been met, and since they are more stringent than the secondary standards, the best information available at the present time is that when the primary standards have been met the secondary standards automatically will be met at the same time.

TABLE 1.—AIR QUALITY STANDARDS

NATIONAL PRIMARY AND SECONDARY AMBIENT AIR QUALITY STANDARDS

Pollutant	Type of standard	Averaging time	Frequency parameter	Concentration	
				μg/m³	ppm
Carbon monoxide	Primary and secondary	1 hour	Annual maximum [1]	40,000	35
		8 hours	do	10,000	9
Hydrocarbons (nonmethane).	do	3 hours (6–9 a.m.).	do	[2] 160	[2] .24
Nitrogen dioxide	do	1 year	Arithmetic mean	100	.05
Photochemical oxidants	do	1 hour	Annual maximum	160	.08
Particulate matter	Primary	24 hours	do	260	
		do	Annual geometric mean	75	
	Secondary	do	Annual maximum	150	
		do	Annual geometric mean	[3] 60	
Sulfur dioxide	Primary	do	Annual maximum	365	.14
		1 year	Arithmetic mean	80	.03
	Secondary	3 hours	Annual maximum	1,300	.5
		24 hours	do	[4] 260	[4] .1
		1 year	Arithmetic mean	60	.02

[1] Not to be exceeded more than once per year.
[2] As a guide in devising implementation plans for achieving oxidant standards.
[3] As a guide to be used in assessing implementation plans for achieving the annual maximum 24-hour standard.
[4] As a guide to be used in assessing implementation plans for achieving the annual arithmetic mean standard.

SULFUR CONTENT OF SURFACE AND DEEP-MINED COAL

Senator ROBERT C. BYRD. Generally speaking, is there any difference in the sulfur content of surface-mined coal and deep-mined coal in a given area?

Secretary CARLSON. For instance, in some of the low sulfur areas of the West you have both low-sulfur deep and low-sulfur surface.

Senator ROBERT C. BYRD. Speak a little louder, if you will.

Secretary CARLSON. You ask for a particular site, what the probabilities would be that if you had one type of sulfur content on the surface, would it be different underneath. I guess—and I better turn to Tom on this in a technical identification of the issues here—I don't think that it necessarily would be different. The probabilities would be about the same.

In the West we do have low sulfur on the surface and also deep. We also have places where we have high sulfur on the surface and high sulfur deep. But in terms of regions of the country, there tend to be some areas of the West that do have lots of surface low-sulfur coal versus large seams that do not seem to exist in the East.

Dr. FALKIE. We recognize the fact that generally speaking the Western coals are lower in sulfur, but we hasten to point out that they are also much lower in Btu content and that is why we have to talk about Btu content versus sulfur relationships, and that is why we feel, when we develop the 1.2 billion tons, that there would have to be significant increases in Eastern coal as well as increases in Western coal production.

Senator ROBERT C. BYRD. What about the ash content?

Dr. FALKIE. The ash content varies from area to area and from seam to seam. Generally speaking, of course, there are low ash coals in the East as there are in the West.

Senator ROBERT C. BYRD. But on the whole which would you say has the lower ash?

Dr. FALKIE. I would say probably the Eastern coals, the metallurgical coals would be slightly lower in ash.

LOW-SULFUR COAL

Senator ROBERT C. BYRD. When you speak of low-sulfur coal what are we talking about?

Dr. FALKIE. The magic number that everybody seems to use is seven-tenths percent. We have been classifying low-sulfur coal as less than 1 percent, and as the geologic information develops we hope to be able to pinpoint it down more precisely. In very general terms I would say less than 1 percent you could call low-sulfur coal.

Senator ROBERT C. BYRD. Has it been proved beyond doubt that the sulfur emission from coal is injurious to health?

Dr. FALKIE. That is very controversial. Scientists and engineers have different opinions. I would express my opinion as saying no, it has not been proved without doubt that they are injurious, so that I think that the proof is yet to come.

Senator ROBERT C. BYRD. I often recall that as a boy living in the coal mining communities of southern West Virginia I lived right at the foot of a large slate dump. Invariably throughout that region

these slate dumps would catch fire and they would burn for years and years. Each time there was a rain they would smoke all the more, and upon occasion would explode, I suppose. So there was a constant breathing of that smoke from those dumps, and I would imagine that it was a pretty high degree of sulfur; wouldn't you?

Dr. FALKIE. Very high degree. I had the same experience having been born and raised in a coal mining town, too, as did many of my colleagues in the Bureau of Mines; and, yes, the sulfur dioxide and other sulfurous compounds coming from those piles is very high.

Senator ROBERT C. BYRD. Well, that doesn't prove anything except it makes one at least question what the effect is. It would be better not to have this smoke.

Dr. FALKIE. We used to also swim in acid minewaters, but I don't know as I recommend that for my children. But I agree that the whole concept of the effect of sulfur and sulfur dioxide on human health needs intense examination before final verdicts can be scientifically reached.

Senator ROBERT C. BYRD. Well, what I say doesn't imply any criticism of those who wish to clean up the air, and I count myself among them; but I can't help but wonder and recall—these miners and their families still live in those areas. The slate dump is still burning, the same old slate dump burning after 30 or 40 years. I have never been able to notice any impact on their health insofar as breathing those fumes from the slate dump is concerned. Or swimming in the acid minewaters. All we had was the old swimming hole up the hollow, and that was considered to be pretty good swimming back in those days.

The secondary standards, tell us a little bit about those.

SECONDARY STANDARDS

Dr. FALKIE. These are the standards dealing with particular areas and particular situations and again I don't have numbers, but these are the standards that many people feel need to be reexamined, especially in light of the fact that some of the State implementation planning goes further than the recommended standards that the Environmental Protection Agency has come up with.

Senator ROBERT C. BYRD. Specifically, what are you talking about in secondary standards? Let's tie one down right here for the record. What is a secondary standard?

Dr. FALKIE. I am trying to recall what the secondary standard for sulfur dioxide is in individual State situations. I am going to have to call on some technical assistance for the answer to that question. Either that or we will provide that for the record.

Dr. John Morgan, from our staff, will answer.

Dr. MORGAN. I don't have the specific numbers at hand, either, sir, but the fundamental difference is that the primary standard is the one that has some effect upon human health. The secondary has an effect upon other things in the environment. For example, plants might not live as long, certain species might die, or certain types of lead-based oxide paints might turn black or brown, and so on; so there are detrimental effects which are noticeable and not commendable, but they are not necessarily injurious to the human, so secondary stand-

ards are some percent of the concentration of the primary standard. We will supply the numbers with the data on standards requested earlier.

Senator ROBERT C. BYRD. Very well. Would you say that smoking four or five cigars a day would be more detrimental to human health than breathing the fumes from the slate dump, Dr. Falkie?

Dr. FALKIE. I would rather not express an opinion.

MANPOWER PROBLEM FOR MINING

Senator ROBERT C. BYRD. Speaking of the manpower problem, what is our program for dealing with this problem?

Secretary CARLSON. Generally, the manpower for mining has been attracted to the mines and training has occurred associated with the mines. However, we picked up some responsibilities on the health and safety side to orient people. As we have found out, there is a higher probability of accident among the new miner who has not been as oriented than the old miner, and that, of course, raises a question, how much additional orientation should we get involved in, let alone how much the operators of the particular mines or other entities, such as the unions' should be concerned. Obviously, this is going to be a major growth area to provide this kind of training and orientation during the next ten years.

Senator ROBERT C. BYRD. Do the mining companies have special programs to interest and recruit new personnel?

Secretary CARLSON. I think Jim Day has the most recent information on that. I have talked to some of the operators and they are very much concerned about it and are increasing activities in this area.

RECRUITMENT OF PERSONNEL

Mr. DAY. To answer your question, yes; a number of the larger operators do have programs to attract young men into mining. In fact, some of the more progressive ones have excellent safety training programs. These companys seem to be able to retain their manpower a good deal longer. But as a general rule, if you took the majority of the companies, there are no adequate programs to attract men into mining. I think this is not only relative to coal but to metal and nonmetal. Taking a look at the statistics today, we have an unemployment rate in excess of 8 percent while in a number of areas we still have a shortage of miners. That is an indication that there is not such a program.

Senator ROBERT C. BYRD. The 150,000, you use that figure, I believe, 150,000?

Secretary CARLSON. Yes; on coal.

Senator ROBERT C. BYRD. Is that the total complement in coal mining, not only those who mine the coal but those who operated the—would you include the office personnel in that 150,000? Are you talking about miners only?

Secretary CARLSON. As I understand it, it is just the direct miners, those who are involved in the immediate extraction. It wouldn't include all the overhead, certainly not the transportation.

Senator ROBERT C. BYRD. It does not include the overhead?

Secretary CARLSON. Not all of it associated directly with the miner in the mine.

UNION MINERS

Senator ROBERT C. BYRD. What percent of those are union miners, would you say?

Mr. DAY. Approximately 115,000 to 120,000 are members of the United Mine Workers of America. There are probably in excess of 4,000 members of the Operating Engineers. We have difficulty with the other unions in obtaining accurate information from them. We are afraid their figures are quite inflated. I would venture to say in progressive unions, the smaller unions, it is less than 5,000 or 6,000.

Senator ROBERT C. BYRD. What percent would you say overall are nonunion?

Mr. DAY. I would say roughly 15 to 20 percent.

TONNAGE PER MAN

Senator ROBERT C. BYRD. What about the tonnage per man, what has the curve shown on this in recent years?

Dr. FALKIE. In the late 1960's, the tons per man-day from underground mining was on the order of 15 plus. It is now down to on the order of about 11.5 to 12 per man-day. In surface mining I think we are on the order of about 35 tons per man-day. So it was about flattening out in surface mining and a decrease in underground mining.

Senator ROBERT C. BYRD. Surface mining has been holding its own.

Dr. FALKIE. Yes; over the last several years at about that same rate.

Senator ROBERT C. BYRD. To what do you attribute this decline in the deep mine?

Dr. FALKIE. There are several factors which people think contribute to this, Senator. One of them being the advent of the Coal Mine Health and Safety Act of 1969, it has had some effect. The second effect, in my opinion, is the fact that there were so many new people coming into the industry during the late 1960's and early 1970's, and there is a learning curve for those new people. A third effect is that there is some indication that the productivity for the whole country, if it hasn't declined, certainly the rate of increase has slowed dramatically.

Senator ROBERT C. BYRD. You are talking about in all industry?

Dr. FALKIE. Everything, right.

Senator ROBERT C. BYRD. But not in surface mining?

Dr. FALKIE. No; but its growth rate has slowed, too. It is a flat curve for the last several years. I think that these three plus the fact that in my opinion the increased number of labor management confrontations during this period of time has had an effect on this tons per man-day productivity number.

IMPACT OF HEALTH AND SAFETY ACT

Senator ROBERT C. BYRD. Is there a way of assigning impact to each of these factors? Let's take, first of all, the Health and Safety Act.

Dr. FALKIE. Well, Senator, there is no easy way of assigning—this is an extremely complex subject. There is no easy way. In the literature, you see estimates of something on the order of 50 percent due to the Coal Mine Health and Safety Act, but quite frankly, I can't substantiate that one way or the other.

Senator ROBERT C. BYRD. You feel it has had some impact?

Dr. FALKIE. There is no question about the fact that it has had some impact on productivity, yes.

Senator ROBERT C. BYRD. How does it work out that way? What is there about the act that lowers the production per man?

Mr. DAY. I will touch on that, Senator, if I may. I think the act has built in requirements, health and safety requirements, that require additional manpower and additional time. Every underground mine, for example, now has a roof control plan. This plan must be followed. There must be proper roof support. This takes time and manpower. The fact that they have to keep moving the various curtains is an additional time factor. The fact that they have to take additional methane readings is another factor. They have to sample rock dust continuously. You might say that these are things that they should have been doing right along and were not doing. I think that may be an answer, but there is an impact. There is an impact on loss of production when an inspector is present. They don't seem to produce as much coal.

IMPACT OF WILDCAT STRIKES

Senator ROBERT C. BYRD. What has been the impact of wildcat strikes? Can you supply figures as to the number of wildcat strikes and by what percentage they are increasing and so on?

Dr. FALKIE. We could probably supply an estimate of the number of these unauthorized work stoppages, but I frankly don't think we can supply an estimate of what effect that has had on the productivity.

Mr. ROBERT C. BYRD. On the tonnage?

Dr. FALKIE. On the tonnage, we might be able to come up with some kind of estimate, but I don't think we could come up with an estimate of tons per man-day because it is calculated in a different way.

Senator ROBERT C. BYRD. If you could for the record indicate the tonnage that is estimated to have been lost by virtue of work stoppages, unauthorized work stoppages.

Dr. FALKIE. We will do that, Senator.

[The information follows:]

LOSS OF COAL PRODUCTION FROM WORK STOPPAGES

During 1974, it is estimated that an 11.9 million ton production loss occurred due to unauthorized work stoppages at bituminous coal mines. In addition, production of bituminous coal was restrained by an estimated 5.5 million tons during the five-day memorial shutdown in August 1974. Review of the bituminous coal production record of weeks affected by the national strike indicates a production loss of 28 million tons as a result of the strike and delays incident to ratification of the new agreement.

SAFETY GAINS

Senator ROBERT C. BYRD. What about the safety aspect, Mr. Day? What has been the impact of the Coal Mine Health and Safety Act?

Mr. DAY. I think there has been a substantial impact. We are pleased with the reductions in the 1974 disabling injury rates. Naturally, we still want them lower. For 1972 we had a disabling frequency rate of 45.67. In 1973 it was 40.42. This past year, 1974, saw the rate drop to 29.22. We are not at all happy with the number

of fatalities that occurred in the past year. They were just about the same as they were the previous year. But the disabling injury rate dropped drastically, and we are very pleased with that.

I might also add that the number of million man-hours worked increased. Last year, although we did have a work stoppage—a strike for a long period of time—the actual man-hours worked increased slightly. This is mainly attributable to the number of small mines that have recently opened. Our frequency rate per million man-hours in 1974 as far as fatalities were concerned decreased to 0.42. In 1973 it went to 0.44.

Senator ROBERT C. BYRD. When you say 0.42 what does that mean?

Mr. DAY. It means 0.42 fatalities per million man-hours worked.

Senator ROBERT C. BYRD. In actual number of fatalities?

Mr. DAY. In 1974 there were 132 fatalities. In 1973 there were 132. For 1972 there were 156. For 1971 there were 181. For 1970 there were 260 fatalities. There has been a substantial drop since 1970.

I think one of the things we have reached as far as enforcement is concerned is how much can you actually enforce health and safety through an inspector. I think we have got to do important research and development and improve technology.

There is also another way of eliminating accidents. I think education and training must play a greater role as we progress. We have got to attack this problem from all three fronts. The strict enforcement of the act is only one of the three available methods.

NUMBER OF EXPLOSIONS

Senator ROBERT C. BYRD. What about the number of explosions?

Mr. DAY. They have been drastically reduced.

Senator ROBERT C. BYRD. What are the figures?

Mr. DAY. I will supply those for the record. I don't have the 1974 figures with me, but they have been reduced. This is mainly attributable to the control on methane emission and dust. We are very pleased with some of the figures on that, but we have still got a long way to go.

Senator ROBERT C. BYRD. Supply for the record the statistics on numbers of explosions over the past, going back to 1900, annually, and the number of fatalities involved in those explosions. Also place into the record a table showing the tonnage annually of coal going back to say 1900 or 1910. As far back as you can feasibly produce the data.

Mr. DAY. Very well.

[The information follows:]

COAL MINE STATISTICS

1900 - 1974

Year	Coal Production (thousands of tons)	Number of Explosions[1/]	Number of Fatalities[1/]
1974	607,200	--	--
1973	598,568	--	--
1972	602,492	1	5
1971	560,919	--	--
1970	612,661	1	38
1969	570,978	--	--
1968	556,706	2	87
1967	564,882	--	--
1966	546,822	1	7
1965	526,954	2	14
1964	504,182	--	--
1963	477,195	2	31
1962	439,043	2	48
1961	420,423	1	22
1960	434,329	--	--
1959	432,677	1	9
1958	431,617	2	36
1957	518,042	4	59
1956	529,774	--	--
1955	490,838	--	--
1954	420,789	1	16
1953	488,239	1	5
1952	507,424	1	6
1951	576,335	5	157
1950	560,487	--	--
1949	480,570	--	--
1948	656,658	3	32
1947	687,814	6	179
1946	594,429	2	27
1945	632,551	4	63
1944	683,277	2	22
1943	650,821	7	161
1942	643,021	6	127
1941	570,517	8	73
1940	512,257	6	276
1939	446,342	1	28
1938	394,644	5	78

Year	Coal Production (thousands of tons)	Number of Explosions 1/	Number of Fatalities 1/
1937	497,387	6	101
1936	493,668	4	28
1935	424,532	2	26
1934	416,536	1	17
1933	383,171	1	7
1932	359,565	6	145
1931	441,735	6	56
1930	536,911	11	217
1929	608,817	6	90
1928	576,093	14	327
1927	597,859	8	155
1926	657,804	16	429
1925	581,870	13	263
1924	571,614	10	458
1923	657,904	10	296
1922	476,951	12	274
1921	506,395	4	26
1920	658,265	5	40
1919	553,952	8	95
1918	678,212	3	41
1917	651,403	9	278
1916	590,098	11	158
1915	531,619	10	254
1914	513,526	5	269
1913	569,960	7	460
1912	534,467	11	229
1911	496,371	8	214
1910	501,596	17	472
1909	460,814	16	212
1908	415,843	7	299
1907	480,363	16	902
1906	414,157	14	209
1905	392,723	13	276
1904	351,817	7	240
1903	357,356	6	213
1902	301,591	11	396
1901	293,300	8	100
1900	269,684	4	268

1/ A single accident in which five or more men are killed.

COAL COMPANY PROFITS

Senator ROBERT C. BYRD. Do you have any statistics on the overall profits of the coal companies over the past 50 years?

Mr. DAY. No, MESA doesn't keep any financial records; the Bureau of Mines may.

Dr. FALKIE. We have tried to develop some trends in profitability and various other financial indicators for the mineral industry. But we have some difficulty in really getting it down to the point where we know what is attributable to coal and what is not, because of the diverse nature of not only the coal mining companies but of the companies which own coal mining companies. We are trying to do this now because we are trying to develop curves showing how the industry compares with other industries.

Senator ROBERT C. BYRD. Could you give us that for the record?

Dr. FALKIE. We will give you what we have, Senator.

[The information follows:]

ESTIMATED PROFITABILITY IN THE COAL INDUSTRY

Data on profitability in the coal industry are, at best, incomplete. Most of the large coal producers have become subsidiaries of other firms, or have become holding companies. Many small producers are of such size that financial and related data are not required by the Government agencies.

Additionally, the rate of return for 1974 as compared to 1973 may not be meaningful because several companies switched to full or partial LIFO (last-in-first-out) accounting during 1974.

In view of the above cautionary notes, coal mining profitability data as shown in the following table represent extremely rough estimates only.

ESTIMATED PROFITABILITY IN THE COAL INDUSTRY

Average rates of return 1/ in coal mining and selected industry groups by selected years, 1947 - 1974

Year	Total Manufacturing 2/	Petroleum Refining 2/	Primary Metal 2/	Coal Mining 3/
1974	15.5	21.2	17.4	14.0
1973	12.8	11.6	10.1	3.8
1972	10.6	8.7	6.0	7.0
1971	9.7	10.3	4.8	8.0
1970	9.3	11.0	7.0	19.1
1969	11.5	11.8	9.5	5.6
1968	12.1	12.3	8.9	9.2
1967	11.7	12.5	9.0	9.2
1966	13.5	12.4	12.0	10.3
1965	13.0	11.8	10.6	10.6
1964	11.6	11.4	9.2	9.8
1963	10.2	11.2	7.2	8.6
1962	9.8	10.0	6.2	7.6
1961	8.8	10.3	6.4	7.1
1960	9.2	10.1	7.2	6.6
1959	10.4	10.0	8.0	7.3
1958	8.6	12.2	6.8	6.0
1957	11.0	12.4	10.8	9.3
1956	12.8	15.2		10.0
1955	12.6	13.2	14.1	5.6
1950	15.4	13.8	14.5	10.9
1947	15.6	14.8	12.2	20.3

1/ Net profits after taxes as a percent of stockholders' equity.

2/ Quarterly Financial Reports for Manufacturing Corporations, Federal Trade Commission. Rates of return for 1974 annualized from first 3 quarters.

3/ Rates of return for coal mining during years 1947, 1950 and 1969 through 1973 computed by Bureau of Mines from Internal Revenue Service data and 10K annual reports; data for 1974 based on 1 annual report available; data for 1955 through 1968 from First National City Bank, New York, Corporate Profit tabulations.

LOSSES OF COAL INDUSTRY

Senator ROBERT C. BYRD. Some years ago I saw a table that had been developed in the course of Senate hearings that, as I recall, showed the coal industry as having suffered losses in more years than it showed profits, going back over a period of 50 years.

Dr. FALKIE. If we would get the numbers it would be my hypothesis that the overall profitability of the coal industry over the last, say, 15 to 20 years, would be considerably below that for average manufacturing in the country.

Senator ROBERT C. BYRD. Can you try to supply the record with something along this line?

Dr. FALKIE. We will supply you, as I said, with what we have, Senator, but I do want to emphasize that data in profitability are very difficult to come by.

COAL EXPORTS AND IMPORTS

Senator ROBERT C. BYRD. How much coal did we export last year?

Secretary CARLSON. About 60 million tons.

Senator ROBERT C. BYRD. I thought it was 53 million. Sixty million tons?

Secretary CARLSON. Yes. We can give you the exact figures.

Senator ROBERT C. BYRD. How much coal did we import?

Secretary CARLSON. A very small amount, about 2 or 3 million tons.

Senator ROBERT C. BYRD. The year before it was what, 200,000 or 300,000 tons?

Secretary CARLSON. A very small amount; yes.

Senator ROBERT C. BYRD. From what countries are we importing coal mainly?

Dr. FALKIE. South Africa and Poland mainly, Senator. Perhaps a little bit from Canada, although we certainly export far more to Canada than we import.

Senator ROBERT C. BYRD. The increase, although it is very low in numbers of tons, it was a sizable increase percentagewise, though, in the last year or so?

Secretary CARLSON. On the importation?

Senator ROBERT C. BYRD. Yes.

Secretary CARLSON. Off of a very small base, yes, but in terms of the total consumption, very small.

REASONS FOR IMPORTING COAL

Senator ROBERT C. BYRD. What are reasons for importing coal?

Dr. FALKIE. Senator, the imports were obtained primarily because some powerplants had difficulties in getting coal of sufficiently low sulfur content to meet the air standards. That was the main reason. There were a few tons imported for metallurgical purposes, but mostly it was for low-sulfur coal.

Senator ROBERT C. BYRD. Are you saying that coals from Poland and South Africa and Canada are—that they have a lower sulfur content than our coals?

Dr. FALKIE. The ones that were available at the time of the imports did; yes. Generally speaking I guess we should say "Yes."

Senator ROBERT C. BYRD. Are the coking qualities of those imported coals superior to our own?

Dr. FALKIE. No. Generally speaking, Senator, the coking qualities of American coals are superior to just about anyplace in the world. This is a very general statement, as you realize.

Senator ROBERT C. BYRD. To what countries do we export the most coal?

Dr. FALKIE. Canada, Japan, some of the European countries, are the prime ones. We would be happy to furnish for the record—I thought I had that with me, but I don't seem to have it—the list of where coal is exported to; but Canada and Japan are the two largest countries, Germany a little bit.

Senator ROBERT C. BYRD. And indicate the percentages. For example, if it is 19 percent of our exports that go to Japan——

Dr. FALKIE. We will be happy to.

Senator ROBERT C. BYRD. Also for the record, let's clean up the figures on imports as well as exports.

Dr. FALKIE. Yes; we will. We have those numbers, Senator, and we will submit a summary of the import and export situation with regard to coal.

Senator ROBERT C. BYRD. Going back a couple of years, if you can, to show what the trend is.

Dr. FALKIE. Yes.

[The information follows:]

COAL IMPORTS AND EXPORTS, 1970–74

Coal exports and imports are shown in the tables attached.

About 85 percent of U.S. bituminous coal exported in 1974 was for metallurgical use. In addition, some 1.5 million tons (or 2.5 percent of the total bituminous exports) of high-quality metallurgical coals exported were used for steam raising in overseas countries.

Coal imports, normally consisting of a number of small shipments of Canadian steam coals to contiguous U.S. markets, increased sharply in 1974. About two-thirds or 1.2 million tons of coal imported into the United States in 1974 consisted of coking coal. The remainder of the imports consisted of steam coals for New England and Florida steam electric plants now required to burn low-sulfur coal.

UNITED STATES bituminous coal exports, in short tons

Country of destination	1970		1971		1972		1973		1974 1/	
	Tons	Percent	Tons	Percent	Tons	Percent	Tons	Percent	Tons	Percent
North and Central America:										
Canada	19,673,375	26.5	17,504,521	21.0	18,181,334	20.4	16,231,178	20.7	13,705,791	22.6
Costa Rica	-	-	143	-	77	-	138	-	21	-
Guatemala	100	-	42	-	-	-	-	-	-	-
Honduras	305	-	209	-	97	-	123	-	-	-
Mexico	172,648	0.2	288,602	0.3	486,340	0.5	390,399	0.5	410,394	0.7
Miquelon and St. Pierre	2,276	-	1,674	-	-	-	1,466	-	-	-
Panama	-	-	68	-	52	-	-	-	-	-
Trinidad and Tobago	-	-	37	-	430	-	-	-	-	-
Other	350	-	111	-	236	-	553	-	240	-
	19,849,054	26.6	17,851,924	21.3	19,668,916	22.3	16,378,852	21.3	14,116,446	23.3
South America:										
Argentina	595,590	0.8	859,192	1.0	582,473	0.7	771,705	1.0	880,058	1.5
Brazil	2,020,461	2.8	1,868,898	2.3	1,918,624	2.4	1,641,496	2.1	1,272,206	2.1
Chile	317,919	0.4	309,986	0.4	359,727	0.4	194,430	0.2	312,224	0.5
Peru	3,222	-	25,716	-	67,857	0.1	22,481	-	84,745	0.1
Uruguay	25,579	-	31,256	0.1	32,078	-	23,081	-	11,215	-
Venezuela	257	-	128	-	891	-	306	-	100	-
Other	-	-	-	-	206	-	36	-	74	-
	2,963,424	4.1	2,473,394	4.7	2,650,347	4.7	2,658,634	5.0	2,560,622	4.2
Europe:										
European Economic Community:										
Belgium-Luxembourg 2/	1,881,826	2.6	765,222	2.6	1,549,990	2.0	4,004,569	2.3	1,178,114	1.9
France	3,347,708	4.7	3,309,349	4.3	1,573,368	2.8	1,865,894	3.6	2,510,861	4.1
Germany (Fed) 2/	5,022,481	7.1	2,911,668	3.1	2,394,803	4.3	1,632,674	3.1	1,454,702	2.4
Ireland (Republic of)	49,108	0.1	16,788	-	23,965	-	-	-	-	-
Italy	4,203,233	5.9	2,460,321	4.7	3,672,307	6.6	3,294,060	6.2	3,903,067	6.3
Netherlands 2/	2,111,943	3.0	1,624,793	2.9	2,258,799	4.1	1,780,406	3.4	2,548,029	4.2
United Kingdom	1,701	-	1,649,181	2.9	2,381,021	4.2	940,782	1.8	1,404,990	2.3
Total EEC	16,837,438	23.4	12,773,589	22.8	13,482,163	24.1	10,718,170	20.5	12,853,897	21.4
Austria	63,275	0.1	-	-	-	-	-	-	-	-
Germany (East)	393,600	0.6	76,680	0.1	19,276	-	-	-	-	-
Greece	-	-	65,542	0.1	-	-	32,498	0.1	40,767	0.1
Norway	192,380	0.3	83,254	0.1	187,058	0.3	128,288	0.2	145,283	0.2
Portugal	-	-	11,909	-	304,483	0.5	295,154	0.5	323,819	0.6
Rumania	70,230	0.1	-	-	-	-	283,809	0.5	193,902	0.3
Spain	3,193,068	4.4	2,556,409	4.5	2,139,033	3.8	2,033,180	4.0	2,016,361	3.4
Sweden	765,324	1.1	617,932	1.1	424,828	0.8	342,284	0.6	199,427	0.3
Switzerland	-	-	31,002	-	-	-	-	-	-	-
Yugoslavia	224,915	0.3	165,338	0.3	147,558	0.2	130,054	0.3	-	-
Other	1,791	-	-	-	-	-	-	-	-	-
	21,904,719	30.3	16,402,693	29.0	16,670,390	29.6	14,231,819	28.9	15,833,086	26.3
Asia:										
Hong Kong	30,165	-	-	-	-	-	-	-	-	-
Israel	-	-	-	-	-	-	-	-	11,423	-
Japan	27,634,485	38.2	19,703,354	34.8	18,037,689	32.2	19,190,305	38.9	27,340,291	45.4
Korea (Republic of)	-	-	-	-	-	-	190,530	0.4	248,164	0.4
Philippines	-	-	-	-	1,223	-	761	-	-	-
Other	135	-	987	-	58	-	-	-	211	-
	27,664,785	38.2	19,704,341	34.8	18,038,881	32.2	19,381,596	39.4	27,603,489	45.8
Oceania:										
Australia	22,732	-	44	-	-	-	43,709	0.1	39	-
N.Z. Zealand	192	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	31	-	-	-	-	-
	22,944	-	44	-	31	-	43,709	0.1	39	-
Africa:										
Other	87	-	-	-	-	-	243	-	3	-
Total exports	70,963,558		56,632,981		55,996,721		52,870,402		59,926,088	

** Not separately stated to avoid disclosure of trade position of individual countries.
1/ Preliminary figures.
2/ Shipments as indicated in vessel manifests upon departure from U.S. ports; includes tonnage for transshipment to unidentified European destinations.
Compiled by the Coal Exports Staff, Bureau of Mines.

UNITED STATES anthracite exports, in short tons

Country of destination	1970		1971		1972		1973		1974 1/	
	Tons	Percent	Tons	Percent	Tons	Percent	Tons	Percent	Tons	Percent
North and Central America:										
Canada	428,008	53.9	466,035	68.4	300,304	67.3	477,642	96.7	481,245	97.9
Jamaica	114	-	-	-	360	-	-	-	250	-
Mexico	4,808	0.6	4,316	0.6	6,903	0.8	8,931	1.8	10,217	1.4
Trinidad and Tobago	-	-	814	-	-	-	118	-	-	-
Other	366	-	50	-	57	-	670	0.7	889	0.1
	443,098	56.1	470,723	70.3	307,830	68.9	487,092	98.8	492,601	97.6
South America:										
Argentina	2,234	0.3	4,008	0.6	2,721	0.4	2,216	0.5	-	-
Brazil	1,032	0.1	3,445	0.5	3,496	0.8	2,479	0.4	1,439	0.2
Chile	502	0.1	905	0.1	4,388	0.6	4,716	0.7	4,245	0.6
Colombia	24	-	388	-	893	0.1	712	0.1	3	-
Peru	6,196	0.8	-	-	-	-	8	-	-	-
Uruguay	1,424	0.2	254	-	393	-	330	-	414	0.1
Venezuela	16,096	2.0	2,987	0.4	13,994	1.9	26,196	5.3	4,212	0.9
Other	9	-	155	-	-	-	114	-	369	-
	27,591	3.5	12,592	1.9	25,353	3.4	37,088	7.5	10,632	1.4
Europe:										
European Economic Community:										
Belgium-Luxembourg 2/	-	-	6	-	-	-	276	-	-	-
Denmark	3	-	-	-	-	-	-	-	-	-
France	228,630	29.0	101,390	15.1	154,918	20.8	107,511	14.7	245,906	32.4
Germany (West) 2/	7,860	1.0	26,248	3.9	-	-	34	-	17	-
Ireland (Republic of)	1,789	0.2	-	-	-	-	-	-	-	-
Italy	58,068	7.3	229	-	32,463	4.4	28,008	3.8	18,470	2.3
Netherlands 2/	634	0.1	1,869	0.2	8	-	26,221	3.5	11,341	1.5
United Kingdom	1,096	0.1	32	-	-	-	90	-	53	-
Total EEC	301,002	38.1	129,304	19.3	187,389	25.2	172,137	24.2	295,867	38.4
Finland	213	-	320	-	-	-	332	0.1	80	-
Rumania	525	0.1	-	-	-	-	-	-	-	-
Spain	42	-	-	-	40	-	30	-	3,271	0.4
Sweden	-	-	46	-	9,240	1.2	9,604	1.3	-	-
Yugoslavia	314	-	33,891	5.0	10,987	1.5	-	-	120	-
Other	19	-	89	-	58	-	-	-	-	-
	302,181	38.3	163,646	24.4	207,734	27.9	182,103	25.6	299,338	27.1
Asia:										
India	378	-	278	-	55	-	4,257	0.6	4	-
Indonesia	148	-	67	-	-	-	553	0.1	-	-
Japan	126	-	10,441	1.6	-	0.6	-	-	74	-
Philippines	635	0.1	1,062	0.2	862	-	1,213	0.2	1,143	0.2
Singapore	-	-	4,145	0.6	-	-	-	-	162	-
Vietnam (South)	10,606	1.3	2,713	0.4	-	-	-	-	1,595	0.2
Other	1,112	0.1	1,274	0.2	332	-	337	0.1	1,808	0.2
	13,002	1.6	20,066	3.0	1,049	0.1	6,840	0.9	5,394	0.7
Oceania:										
Australia	3,673	0.5	3,976	0.6	1,477	0.2	2,373	0.3	27,347	3.7
Other	-	-	19	-	-	-	-	-	-	-
	3,673	0.5	3,995	0.6	1,477	0.2	2,373	0.3	27,347	3.7
Africa:										
Other	-	-	-	-	-	-	80	-	91	-
Total exports	789,495		671,024		743,431		726,948		735,172	

** Does not include shipments to U.S. military forces.
p/ Preliminary figures.
1/ Shipments as indicated in vessel manifests upon departure from U.S. ports; includes tonnage for transshipment to undesignated European destinations.
Compiled by the Coal Exports Staff, Bureau of Mines.

United States Bituminous and Anthracite Imports, in short tons

Country of Origin	1970		1971		1972		1973		1974	
	Tons	Percent	Tons	Percent	Tons	Percent	Tons	Percent	Tons	Percent
Canada	25,801	99.4	87,447	78.8	44,821	95.2	113,884	89.9	595,587	28.6
Germany, West	---	---	---	---	---	---	---	---	513,219	24.7
Netherlands	---	---	---	---	---	---	---	---	171,185	8.2
United Kingdom	---	---	---	---	---	---	---	---	11,517	0.6
Poland	---	---	---	---	---	---	12,698	10.0	468,344	22.5
Australia	---	---	---	---	---	---	---	---	143,633	6.9
South Africa	---	---	---	---	---	---	---	---	172,223	8.3
Others	116	0.6	23,589	21.2	2,277	4.8	59	---	4,699	0.2
Total	25,917		111,036		47,098		126,641		2,080,407	

SOURCE: Coal Exports, Division of Coal.

TRANSPORTATION OF COAL

Senator ROBERT C. BYRD. With respect to transportation, the railroad beds, of course, are in bad condition and getting worse. They are so bad that boxcars travel 10, 12, 15 miles per hour in places, and trains have been known to collapse while standing still. I have seen figures that would indicate the rail industry is $6 to $8 billion behind in maintenance of its roadbeds. Now, address your remarks to this problem.

Dr. FALKIE. As you may know, the U.S. Railway Association, which is a governmental body, has come up with a proposed plan to "save" some of the eastern railroads. Not only are the conditions bad that you mentioned, the physical conditions, but the financial situation with regard to many of the railways in the highly populated areas are very bad.

What we are doing, and the U.S. Railway Association has asked us to do this, is to take a look at this plan in terms of present and potential mineral production. They have proposed, as one part of their plan, taking out some of the trackage, out of the system entirely. We are looking at every piece of track they propose with the idea of determining, with coal, for example, if it affects coal production now, will it affect coal production in the future, and if it is in the future, perhaps they can come up with some other plan. I don't want to speak for them, but maybe putting the rails in some kind of a rail bank or something.

Not only is the rail system in the Northeast under great stress now and in our opinion affecting coal production now, but if we are going to get anywhere near the 1.2 billion tons that we would like to get to by 1985, there is going to have to be a major overhaul of the rail system plus major expansion, because rail will continue to be the primary way of transporting coal, and on the eastern railroad, some 40 percent of all their traffic is due to coal and other minerals; much of it is due to coal.

Senator ROBERT C. BYRD. What percentage of the coal is shipped by rail as against barge and so on?

Dr. FALKIE. I have to furnish those numbers for the record, Senator. But I do know that approximately 25 percent of all rail traffic in the country is due to coal, and a considerable percentage of the barge traffic, an overwhelming percentage of the traffic in all transportation forms, imports, exports, barge traffic, railway, is due to minerals. We will furnish that. We have those numbers and I would be delighted to furnish them for you in the record.

Senator ROBERT C. BYRD. Indicate what percentage of the coal is moved by rail, what percentage by barge, and so on.

[The information follows:]

COAL LOADED FOR SHIPMENT IN THE UNITED STATES 1970–74

[Million tons]

	Rail		Water		Other [1]		
	Tons	Percent	Tons	Percent	Tons	Percent	Total
Year:							
1970	409	68	81	13	113	19	603
1971	382	69	59	11	111	20	552
1972	394	66	70	12	131	22	595
1973	397	67	69	12	126	21	592
1974 [2]	401	67	71	12	129	21	601

[1] Includes coal used at mine and shipped by slurry pipeline, transported to electric utility plants adjacent to or near the mine, and coal shipped by truck to its final destination.
[2] Estimated.

ECONOMIC COAL HAULING

Senator ROBERT C. BYRD. What is the most economical way of hauling coal, or can one say?

Dr. FALKIE. Under most circumstances at the present, rail is still the most economical way. However, in some instances other means—you obviously know that in some cases we transport by truck. But coal pipelines in some cases are apparently more economical. In general, we still have to say that rail and barge are still the most economical ways.

Senator ROBERT C. BYRD. Do you see a growing trend toward the use of coal pipelines?

Dr. FALKIE. I think the potential for growth in that area is very definitely a possibility. That poses some problems as every other transportation medium does. In the West, for example, we have to be careful on the water usage. But I think there will be more coal transported by pipeline.

USE OF MINE HEALTH AND SAFETY ACADEMY

Senator ROBERT C. BYRD. You spoke of complemental activities that might become associated with the National Mine Health and Safety Academy. Would you expand on this a little for the record?

Secretary CARLSON. Yes. I think that some of the things that we do in the research and development area in the Bureau of Mines might have an appropriate role in that area. We have not finalized anything. We do take note of the beautiful facility that will exist there and we want to use it effectively and efficiently, and so it is quite natural that we think of other complemental activities to go to that particular location.

Maybe I could ask Jim Day to add to that.

Senator ROBERT C. BYRD. Mr. Day, would you like to address yourself to that?

Mr. DAY. Yes, Senator. Basically one of the things we have in mind for this facility is to provide the best training possible to the Federal mine inspector, to representatives of industry, and to the miner who will be receiving this training.

We have a tremendous shortage of mining engineers and experts. What we have been doing in the past year, and propose to continue to utilize, is our technical support specialists in this training area. We feel that our technical support people and associate Bureau of Mines

R. & D. personnel are some of the best experts in the world. These individuals should be the people to best train the industry in the most sophisticated courses, such as ventilation and illumination.

As you are aware, we do have the beginning of our coal waste laboratory going down there and also our electrical power distribution laboratory in the same area. These individuals can be working on their projects and teaching at the same time. We will have a better product and better training courses.

ELECTRIC POWER DISTRIBUTION LAB

Senator ROBERT C. BYRD. You have mentioned the electrical power distribution lab. Can you expand on that a bit for the record?

Mr. DAY. In our technical support program we have divided our disciplines into a number of areas depending on the various problems. One of the major problems we have is electricity, especially in underground mining. The electrical problems are voluminous, especially when you consider the high voltage that goes into some of these mines. We have had a number of accidents and fatalities. In fact, we lost an inspector this past year through an electrocution.

We feel that we must develop better techniques for compliance. We must do a better job of monitoring, and when our inspectors encounter difficulties they often need a group of experts to solve some of these problems. While we are proud of our inspectors, we can't expect them to know everything there is. I think a similar situation exists as far as the coal waste laboratory facilities.

When the Buffalo Creek disaster happened a number of years ago, I think the entire Department realized that there was a void in technology in coal waste impoundments. In fact, the U.S. Committee on Large Dams refuses to call these impoundments dams because they were not designed as such. One of the best ways we have of controlling these impoundments is through inspections and through monitoring and testing. We have new standards in the promulgation stage right now. We hope to have the final rules out within 30 days, but they will require various approvals of the impoundment construction. It will require plans to be submitted for approval and for testing of the impoundment materials.

The materials for these impoundments, are not homogeneous. They consist of slate, slurry and any other product you would find around the mine site. You have a great deal of difficulty in constructing anything out of those materials.

Senator ROBERT C. BYRD. So these activities will be conducted at that location?

Mr. DAY. That is correct, Senator.

COMPLETION OF ACADEMY

Senator ROBERT C. BYRD. When do you now expect that facility to be completed?

Mr. DAY. We expect the Academy to be completed in February of 1976. As of the end of March we were 8 days ahead of schedule, I am happy to report. We will immediately begin staffing it. In fact, we are already staffing it, working on a curriculum and we hope to be operative by next summer, 1976.

Senator BYRD. What is the total amount of money provided thus far for planning site preparation and construction of the Academy?

Mr. DAY. It is roughly $17 million.

Senator ROBERT C. BYRD. I visited the Academy with you, not too long ago, and I was very pleased at the progress that was being made there. I am also pleased you were able to accept the low bid contract for that construction work. Because, if you put that facility out to bid in today's market you would have paid, what would you say, how much more than your existing contract?

Mr. DAY. We have discussed this, and we could possibly be looking at another $10 or $12 million additional if we had to do it today.

Senator ROBERT C. BYRD. How much is in your fiscal year 1976 budget request for equipment?

Mr. DAY. Approximately $2,100,000.

Senator ROBERT C. BYRD. Beyond the $17 million which has been provided and the $2 million which is contained in your fiscal year 1976 budget for equipment, do you have any additional needs that would have to be met to enable you to complete this Academy?

Mr. DAY. Yes; Senator, we will have additional needs. We did not include it in the fiscal year 1976 budget, the reason being we don't have a precise cost with today's dollars. We would like to be able to give you more accurate information, but we feel that we will have to come back in 8 or 9 months and ask for an additional $1.2 or $1.3 million.

Senator ROBERT C. BYRD. So you are anticipating—we are talking now about something like $19 million. Over and above that what would be your rough estimate at this time?

Mr. DAY. If we had to make a rough estimate on today's dollars, with 10 months to go, it would be roughly $1,200,000.

Senator ROBERT C. BYRD. Without these additional funds at this time, will this delay the completion?

Mr. DAY. No; it will not, Senator. If it did, we would be requesting additional funds right now.

Senator ROBERT C. BYRD. Is there a possibility that you will complete it earlier than February of next year?

Mr. DAY. Possibly a little earlier, but I would not anticipate more than 30 days. But we are running 8 or 9 days ahead of schedule right now.

PERSONNEL COMPLEMENT OF ACADEMY

Senator ROBERT C. BYRD. What would be the personnel complement there?

Mr. DAY. Eventually, by 1977–78, it would be approximately 120. This does not include all the support services that would be involved or the other jobs that it would create. This 120 would be basically our employees. I do not believe that would include, for instance, cafeteria personnel or similar activities.

Senator ROBERT C. BYRD. So the 120 personnel figure would not include those?

Mr. DAY. No, sir.

Senator ROBERT C. BYRD. Can you estimate the overall employment?

Mr. DAY. I think I could probably add another 80 to 120 people to that figure.

Senator ROBERT C. Byrd. So you are talking about 200 to 250 persons?

Mr. DAY. That is correct.

Senator ROBERT C. BYRD. What kind of a payroll are we talking about here, can you estimate that?

Mr. DAY. I don't have the exact figures right now. We are working on that. In fact, our personnel department is working on job descriptions for many of the jobs right now. We would like to be ready when the building is finished, to have a staff of some people already in the area working. As soon as the paint is dry they will be in there.

Senator ROBERT C. BYRD. This is a National Academy, is it not?

Mr. DAY. That is correct.

Senator ROBERT C. BYRD. There is no other like it?

Mr. DAY. There is no other like it in the world.

Senator ROBERT C. BYRD. Is any other being contemplated at this time?

Mr. DAY. No, not to my knowledge.

Senator ROBERT C. BYRD. Will this deal only with coal or will it also include other minerals?

Mr. DAY. It will include all mine health and safety, including metal and nonmetal and sand and gravel, which MESA also has jurisdiction over.

Senator ROBERT C. BYRD. Will you be testing mine equipment there?

Mr. DAY. We will be testing some equipment in that area, the illumination field.

PROGRAM OF ACTIVITY AT ACADEMY

Senator ROBERT C. BYRD. Do you anticipate expanding the program of activity there to include additional activities that you have not referred to at this point?

Mr. DAY. Yes; we do in the future. That will be in 1977 or 1978. We are going to have to decide on our priorities. There will definitely be an expansion. It is an ideal area. We have the Academy there situated on 40 acres and there is an additional 30 acres to be granted to us. The facility is excellent. It is in the heart of the coal region and will be an excellent place for our technical support program to expand and at the same time supply additional teaching expertise. We would very much like that to go hand in hand.

Senator ROBERT C. BYRD. Will you have any problem in recruiting the personnel?

Mr. DAY. We will have no problem recruiting personnel for the Academy. We always have some wage differences, but I think they will be ironed out. The facility is extremely attractive and functional.

SIZE OF STUDENT BODY

Senator ROBERT C. BYRD. What will be the size of your student body?

Mr. DAY. We will have classroom space for 600 at the facility and we will be able to house 350. That will be on a regular student basis. We also plan to utilize the facility more than that by scheduling seminars. Since we will have this center and our own instructors, we will be able to better coordinate our training seminars and use some of the sophisticated equipment that we have. So possibly when the regular curriculum is not being conducted, and even on weekends, we can

have special seminars and use the facilities, such as the auditorium, classroom space, and even the housing on occasion.

Senator ROBERT C. BYRD. What will be the estimated annual operating cost?

Mr. DAY. Right now, in today's dollars, it will be somewhere between $3 and $4 million.

OPERATING COSTS

Senator ROBERT C. BYRD. Will there be any tuition costs to those who are enrolled at the Academy?

Mr. DAY. We are working on that question right now, Senator. Naturally, there would not be any tuition for Federal employees. Our cost per student right now would run approximately $50 per day, which is under most other academic facilities, universities. But we will hope and plan to also reach industry personnel and some of the safety committees. We are coming up with alternatives right now on how to pay for this training, what the cost should be, and who should bear the burden of this. If they don't pay for some of these courses, the cost will go up substantially.

Senator ROBERT C. BYRD. Well, it would be a legitimate expectation to have them share the cost; would it not?

Mr. DAY. I believe so, Senator. Right now we would like to develop some equitable cost sharing procedure. We have a pretty good feeling on some of the splits between industry and labor and the Federal people who will attend this Academy. We don't know the precise splits so we will probably use trial and error the first year or so. We have even had some requests from foreign nations to send students there. It is getting worldwide attention.

MINE ILLUMINATION STANDARDS

Senator ROBERT C. BYRD. The 1969 Coal Mine Health and Safety Act required illumination standards for underground mines be implemented. Have these standards been implemented today?

Mr. DAY. The standards have been published, but they have not been implemented.

Senator ROBERT C. BYRD. Are any funds contained in your fiscal year 1976 budget for illumination testing?

Mr. DAY. No; they are not. In fact, the illumination testing will be absorbed, I believe, within this year's budget amounts under the general technical support budget.

Senator ROBERT C. BYRD. This subcommittee has marked up its portion of the emergency employment appropriations bill for 1975 and included within that bill are several labor intensive items for MESA, among which is $600,000 for the construction of an illumination laboratory. Do you consider the construction of this laboratory to be one of your high priority items?

Mr. DAY. I'm sorry, I didn't hear the beginning of that question, Senator.

EMERGENCY EMPLOYMENT APPROPRIATIONS BILL

Senator ROBERT C. BYRD. Included in the emergency employment appropriations bill for 1975, which has been marked up already by

this subcommittee, are several labor intensive items for MESA, among which is $600,000 for the construction of an illumination laboratory. Do you consider the construction of an illumination laboratory to be one of your high priority items?

Mr. DAY. Yes; one of our higher priority items.

Senator ROBERT C. BYRD. Why?

Mr. DAY. The act itself requires illumination standards. We have had a great deal of difficulty in arriving at standards and finding out if the technology for implementation of the proposed standards was available.

The Bureau of Mines researched that area and has done an extensive amount of work. We are finally getting down, with the act 5 years in effect, to developing these standards. Everyone feels and knows that illumination, whether it is for underground mining or on the streets, plays a great part in safety as far as visibility problems are concerned.

Senator ROBERT C. BYRD. Can you provide the committee with a description of the type of work that will be carried on in your proposed illumination testing laboratory?

Mr. DAY. I will provide that for the record.

Senator ROBERT C. BYRD. Can you give us the approximate number of personnel that would be required to operate it?

Mr. DAY. Not at the moment, Senator.

Senator ROBERT C. BYRD. You don't have a ballpark figure at the moment?

Mr. DAY. No.

Senator ROBERT C. BYRD. Could you indicate the annual operating expenses?

Mr. DAY. Yes, sir. I will.

[The information follows:]

ILLUMINATION LABORATORY

Section 317(e) of the Federal Coal Mine Health and Safety Act of 1969 provides:

"Within nine months after the operative data of this title (on or before December 30, 1970) the Secretary shall propose the standards under which all working places in a mine shall be illuminated permissible lighting within eighteen months after the promulgation of such standards."

MESA is in the final stages of promulgating these standards. The illumination laboratory will develop testing and certification procedures for compliance with regulations which will facilitate and assist the mine operators and equipment manufacturers in complying with the Federal regulations.

The laboratory cost of $600,000 is estimated to construct and equip a 15,000-foot laboratory to execute this responsibility.

Eight technicians will be needed to perform the testing and certification at the laboratory costing above $200,000 annually.

ILLUMINATION TESTING

Senator ROBERT C. BYRD. Do you have staffing and operational funds in your fiscal year 1976 budget for conducting illumination testing work?

Mr. DAY. In 1976?

Senator ROBERT C. BYRD. Yes.

Mr. DAY. It will be in the overall technical support budget.

Senator ROBERT C. BYRD. So the funds are included.

Mr. DAY. There are some funds there.

Senator ROBERT C. BYRD. Where is the work being done now?

Mr. DAY. Some is being done in Pittsburgh and some will be done in Beckley. Our electrical power systems lab will be in Beckley. Several people are in Beckley working in a temporary building downtown.

Senator ROBERT C. BYRD. That is not presently associated with your Academy?

Mr. DAY. No, sir.

Senator ROBERT C. BYRD. Will it be?

Mr. DAY. Yes; we would like it to be.

Senator ROBERT C. BYRD. Do you feel that your existing space and location are adequate?

Mr. DAY. At the present, no; we don't think it is.

HEAVY SURFACE MINING EQUIPMENT

Senator ROBERT C. BYRD. The latest statistics on deaths in the mining industry—we referred to this earlier—indicate we are still experiencing about 35 to 50 deaths per year in surface mining operations, mostly from accidents involving heavy equipment and primarily the front end of loaders. Faced with the necessity of increasing our surface mining operations, if we were to meet our energy needs, would you agree that we have to move ahead with all possible speed to reduce this fatality record?

Mr. DAY. Yes; definitely so, Senator.

Senator ROBERT C. BYRD. Do you have any funds within your fiscal year 1976 budget to develop and implement safety standards for heavy surface mining equipment?

Mr. DAY. We have no specific funds identified in our 1976 budget for this work. We are utilizing several of our regular technical support personnel to work on this, but not as much as I would like to see done.

Senator ROBERT C. BYRD. Have you taken any steps to develop these safety standards?

Mr. DAY. Not as yet. We are still in the preliminary development stage. We would like to do a lot more and we hope to include some more funds in our 1977 program request for this.

Senator ROBERT C. BYRD. How much did you request within your agency budget for this program?

Mr. DAY. I don't have a precise figure with me, but it was included in our initial discussions on the budget. However, I think they took a look at MESA and said that we were getting a 15-percent increase in our total appropriation this year. And possibly as far as priority tradeoffs were concerned, it was probably No. 4 or 5. My main priorities in technical support were coal waste, electrical, and approval and testing of equipment. I think that the heavy equipment and some of the other items which ranked low had to be given up.

Senator ROBERT C. BYRD. When you say they, to whom do you refer?

Mr. DAY. I think they probably gave me a choice, the overall Department reviewers of the budget. As you know the administration and the Department must attempt to keep things pretty much in line. We did go from a budget of roughly $68 million to $79.5 million. I think I got a pretty good share of the Department's increase. I had to

make the priority within this funding level. I had to make a decision as to which items I wanted first. Unfortunately I couldn't include this one.

Senator ROBERT C. BYRD. Yes; I congratulate you on trying. But who is "they"?

Mr. DAY. I would say it was probably the overall staff of our budget people in energy and minerals.

Senator ROBERT C. BYRD. Was your request for funds denied at the departmental level?

Mr. DAY. Yes.

Senator ROBERT C. BYRD. How much did you request for this program?

Mr. DAY. I could supply that for the record.

Senator ROBERT C. BYRD. Very well.

[The information follows:]

MESA's original proposal for the Mining Equipment Safety Laboratory was $580,000. This estimate did not include $650,000 for the development of a permanent testing site.

FUNDING OF PROGRAM

Senator ROBERT C. BYRD. No funds were included, then, do I understand you correctly, for this program?

Mr. DAY. That is correct.

Secretary CARLSON. Except, Senator, those that are found in general overall technical support as opposed to a specifically identified program.

Senator ROBERT C. BYRD. Can you answer the question, Mr. Secretary?

Secretary CARLSON. The question as to the process used to arrive at the budget?

Senator ROBERT C. BYRD. No funds. What was the request, if any, for the development and implementation of safety standards for heavy surface mining equipment?

Secretary CARLSON. We will have to supply that for the record. I don't have it here with me.

Senator ROBERT C. BYRD. Do I understand you to say that a request was made for such funding?

Mr. DAY. Yes, it was in our development plan, part of our overall development program.

Senator ROBERT C. BYRD. Do you know what official took it upon himself to make a decision to dismiss 50 deaths a year as not warranting funds to develop standards which are necessary and overdue?

Mr. DAY. No, sir.

Senator ROBERT C. BYRD. Can you answer that question for the record?

Mr. DAY. I don't know. I don't think it was one individual.

Senator ROBERT C. BYRD. All right. Can you indicate a group of individuals?

Mr. DAY. I guess I would have had to have participated in it myself.

Senator ROBERT C. BYRD. You participated by requesting the funds. But who rejected the request?

Secretary CARLSON. Mr. Chairman, if I could just comment, that obviously all that goes on in the Department is the responsibility of

the Secretary and myself and others in that chain and in the Office of Management and Budget. They have their chain of responsibility. I would point out that the Office of Management and Budget, in line with what the President thought he should shoot for on a fiscal responsibility basis and also in terms of the receipts, gave the Department of Interior certain guidelines. They required each of the Bureaus to make judgments across a lot of high priority items. We had to rank those which were the highest and those next highest and we had to provide a cutoff and stay in that process. It is in that process we found the total amounts of funds we might have wanted were taken out of the budget.

Senator ROBERT C. BYRD. If you participated in the decision, what do you have to say about the decision to dismiss 35 to 50 deaths a year as not warranting funds to develop these standards?

Secretary CARLSON. I would certainly not dismiss that, and we are trying to pursue the reduction of mortality rates across the board.

AREAS OF HIGH MORTALITY

Senator ROBERT C. BYRD. Wouldn't that have been of the highest priority?

Secretary CARLSON. I think Mr. Day indicated that there are some other areas of mortality rate problems that he thought were higher priorities. He ranked this one maybe No. 4, but still high.

Senator ROBERT C. BYRD. What are the other areas?

Mr. DAY. The No. 1 killer in underground mining is still roof control. We feel we have a roof control program that is excellent right now.

Senator ROBERT C. BYRD. Is it sufficiently funded?

Mr. DAY. Yes. I think we have adequate standards for roof control, I believe. I think improvement is needed as far as the awareness programs, and that is what we are pushing right now. We are strengthening our inspection standards in that area. The other item that I did select was coal waste. As you know, this is a very high priority item that resulted from the disaster at Buffalo Creek.

Our second program was electricity which is again one of the top killers in the country, and permissibility equipment testing. I would have liked to have had the other items but I didn't get them within the overall program levels.

Senator ROBERT C. BYRD. Could you furnish for the record the estimate of the minimum funding that would be required to develop heavy equipment safety standards?

Mr. DAY. Yes. I certainly will.

Senator ROBERT C. BYRD. And develop a summary for the record of how you would propose to spend these sums if they were provided; would you do that?

Mr. DAY. Certainly.

Senator ROBERT C. BYRD. Give as much detail as you can, Mr. Day.

Mr. DAY. I certainly will.

[The information follows:]

MINING EQUIPMENT SAFETY LABORATORY

In-house and contract studies have shown the need for a major coordinated effort to reduce fatalities and injuries resulting from operation of mining equipment. Of particular concern are the heavy, high capacity, mobile loading and haulage units which are involved in over 60 percent of surface mining fatalities. During the past three years, haulage trucks were involved in 81 fatalities, front-end loaders in 58, bulldozers and scrapers in 25. For each of these types of equipment a systematic program to reduce accidents and the severity of injury must be undertaken which includes: identifying the hazards inherent in design and in use of the equipment; determining feasibility of design changes and of modifications to existing equipment for safety and for ease of operation; establishing training programs for operators; where indicated, developing standards for safe design and use.

An engineering laboratory and test facility are required to carry-out the accident reduction program. The laboratory should be staffed with engineers, technicians, and equipment operators experienced in the use and design of heavy equipment. The test facility should simulate the operational aspects of dozing, loading and haulage, including variable grade ramps and turning radii to test braking, steering, and control systems. Portable instrumentation will measure equipment parameters and human factors involved in operating the equipment. Results obtained by the laboratory will be verified by tests made on units in operating mines; however, it is not feasible to conduct basic detailed engineering investigations in producing mines.

Close liaison will be maintained with Interior Bureaus, as Mines and Reclamation, and other Government Departments concerned with heavy equipment safety, as Transportation, Labor, and Defense. Coordination of Federal efforts is essential to ensure that conflicting or chaotic regulations are not imposed on the mining, construction, or equipment industries.

Emphasis will be placed on making equipment easier as well as safer to operate. Operator effort in terms of control complexity, reaction forces, and timing will be studied to reduce strain and fatigue. This approach to increasing safety can also increase productivity. The cooperation of labor and equipment manufacturers will be invited.

The effectiveness of the proposed program can be enhanced and costs minimized by establishing the Mining Equipment Safety Laboratory adjacent to the Federal Mine Health and Safety Academy. Laboratory personnel can serve as part-time instructors and Academy students can get "hands on" training in equipment operation at the Test Facility; the Academy shops can maintain the equipment units under test; Academy land probably is adequate for constructing the facility provided noise and physical disturbance of the test work can be adequately buffered. Moreover, enough Government-owned equipment can be transferred from another training project to allow laboratory testing to start early in FY 1976.

Costs of establishing the laboratory are estimated at $650,000 and first year operating costs at $580,000 (9 months actual operation). Annual costs thereafter are estimated at $765,000 as shown on Table I.

The laboratory can be expected to complete the accident reduction engineering program outlined above for one major type of equipment--as surface haulage trucks--during FY 1976 and to start programs on the units which are used as ancillaries during the truck tests--as dozers, front-end loaders, scrapers. Results obtained by the laboratory will be made available not only to the mining industry but also to allied industries, as construction, which utilize the same equipment.

BUDGET REQUIREMENT

Laboratory Staff	Positions	Funding	
Engineers: mechanical, industrial, safety, mining	5		
Instrument specialist	1		
Technicians/mechanics	3		
Heavy equipment operators	4		
Stenographic/clerical	3		
Total	16		
Annual Costs		Annual Cost	First Year (9 mo.)
Salaries @ $17,000/man year		$270,000	
Benefits		25,000	
Total, Salaries and Benefits		295,000	220,000
Travel		30,000	
Supplies, rental, and other expenses		40,000	
Equipment and instrumentation		200,000	
Equipment leasing and outside contracting for redesign and fabrication		200,000	
Total, Other Expenses		470,000	360,000
Nonrecurring Costs			
Laboratory and office space (4800 sq. ft. x $40)		200,000	
Moving Government-owned equipment (GOE) to site		150,000	
Test track, ramps, pit, etc. (assume all work done by staff w/GOE except clearing, paving, utilities)		300,000	
Total, Nonrecurring		650,000	650,000
Grand Total		1,415,000	1,230,000

IMPOUNDMENTS ON MINE PROPERTY

Senator ROBERT C. BYRD. Speaking of Buffalo Creek, do you have any ongoing responsibilities in that situation?

Mr. DAY. Yes; we do. MESA, as a regular part of our inspection program routine inspects all impoundments on mine property. We have a number of inspectors especially trained to recognize impoundment hazards, and monitor these impoundments. If a difficulty arises they will call upon our technical support staff engineers, both mining engineers and civil engineers, to review these dams and to recommend changes to industry if we feel a potential hazard exists. Some mines are inspected on a regular basis along with the mine site, while others are inspected more frequently.

Senator ROBERT C. BYRD. Can you indicate for the record the number of waste impoundments, let's say, in West Virginia, that are considered to be hazardous to the adjacent population?

Mr. DAY. I will supply that for the record.

Senator ROBERT C. BYRD. You have this information?

Mr. DAY. Yes; I think we do.

[The information follows:]

POTENTIALLY HAZARDOUS WASTE IMPOUNDMENTS

MESA does not have appropriate information concerning the relationship of mining properties and adjacent communities to determine what adverse affects waste impoundments might have on communities.

Our inspection and enforcement functions are mainly concerned with the protection of the health and safety of miners on mining properties. Whatever efforts and safeguards are directed toward this objective, others who live or work in proximity to mining areas would mutually benefit from these efforts.

Currently MESA has on record outstanding Sec. 104(a) Orders issued for hazardous conditions found at seven waste impoundments in West Virginia. The names of the operating companies and the localities of these sites are:

Eastern Assoc. Coal Co., Barrett, West Virginia.
Valley Camp Coal Co., Shrewsbury, West Virginia.
Westmoreland Coal Co., Quinwood, West Virginia.
Sewell Fuel Co., Nettie, West Virginia.
Ranger Fuel Co., Bolt, West Virginia.
Pocahontas Fuel Co., Jenkinjones, West Virginia.
Pocahontas Fuel Co., Lynco, West Virginia.

Required remedial work to correct deficiencies and abate orders has been undertaken by all but the Pocahontas Fuel Company. Because that company has made little or no progress toward upgrading its respective sites to safe conditions, MESA inspection personnel are gathering documentary evidence for the possible initiation of legal action under the provisions of the Federal Coal Mine Health and Safety Act of 1969 (P.L. 91-173).

IMPOUNDMENT STANDARDS

Secretary CARLSON. Mr. Chairman, I think it would be important to indicate that we are coming out with more stringent standards on the impoundments.

Senator ROBERT C. BYRD. Would you indicate for the record what those more stringent standards are? Indicate the locations of those impoundments in West Virginia that present a continuing danger to the population.

Mr. DAY. I would like to emphasize something on that. We don't believe there is an impoundment right now that is a hazard today,

but we are continuing to monitor them because they are continually changing. They are utilized on a daily basis so long as the mine is still in operation. What we are looking for is the potential hazard if it does exist.

Senator ROBERT C. BYRD. Yes, you continue to monitor them?

Mr. DAY. Yes, sir.

[The information follows:]

REVISION OF MINE WASTE IMPOUNDMENT STANDARDS

To correct for physical deficiencies detected at coal waste impoundments and for inadequacies found in regulatory standards pertaining to these kinds of facilities, MESA developed and proposed additional and revised standards as amendments to Sections 77.215 and 77.216 of Title 30 CFR. The proposed final regulations have been submitted to the Department for review and clearance prior to publication in the Federal Register as final rulemaking. Because of regulations associated with rulemaking, MESA cannot prematurely disclose the specific nature of these standards until such time as they are published in the Federal Register. We are however permitted to make the following generalized summary.

Under the proposed standards an operator would be required to submit to MESA a plan on the design, construction, modification, maintenance, and abandonment of coal waste impounding structures. Upon technical review MESA would determine if the impounding structure is properly designed so that it can be constructed or modified in accordance with current, prudent engineering practices, and will not present a hazard to the health and safety of miners. Moreover, MESA's approval would be required before such facilities can be constructed and utilized as water, sediment, or slurry impoundments.

In addition, provisions for periodic inspections, monitoring, and reporting by the operator would be required under the proposed regulations. Inspections for indications of structural weakness or other hazardous conditions would be performed each week by a qualified person designated by the operator. The results of such inspections will be entered in a permanent record book kept at the mine and available for inspection by an authorized representative of MESA.

If a potentially hazardous condition develops, the operator would be required to notify MESA immediately and take action to eliminate the hazard and evacuate all coal miners within the areas affected by the hazardous condition. Moreover, the qualified person designated by the operator would be required to examine the structure and monitor all instruments every 8 hours, or more often if deemed necessary by MESA's authorized representative. The results would be recorded in the permanent record book kept at the mine. In such cases MESA would issue a notice or order as applicable for the abatement of any conditions requiring remedial measures.

MONITORING OF IMPOUNDMENTS

Senator ROBERT C. BYRD. What other agencies, State and Federal, have responsibility in monitoring these impoundments?

Mr. DAY. The Corps of Engineers has some responsibility, and also the State of West Virginia. We are only involved in those impoundments that exist on an active mine site or mining operation. A number of impoundments are abandoned and are the responsibility of the State of West Virginia.

Senator ROBERT C. BYRD. Do you get good cooperation from the State?

Mr. DAY. Yes; I believe we do.

Senator ROBERT C. BYRD. And from the Army Corps of Engineers?

Mr. DAY. I think we have had excellent cooperation from every department concerned with this problem. When we first entered into this program we found that the best source of engineers and exper-

tise was the Bureau of Reclamation within the Department of the Interior. We relied heavily on these people who were more than cooperative. In fact, they loaned us eight engineers to work with on a daily basis to assist us.

Senator ROBERT C. BYRD. Will there be any work at the Mine Health and Safety Academy connected with these waste impoundments?

Mr. DAY. Yes; adjacent to the academy we hope to have our coal waste laboratory. The standards that we are proposing, Senator, are approval type standards similar to roof control and ventilation where the mine operator must submit a plan for approval. That will be one of the functions of this lab, to assist in analyzing some of the problems and the wastes and supply the expertise. To save time, we also have an important need to teach the industry and our inspectors on these impoundment problems.

MINE WASTE TESTING FACILITY

Senator ROBERT C. BYRD. In the budget there is $1.4 million increase and 20 positions requested to establish a mine waste testing facility and to increase MESA's ability to maintain control over the coal waste disposal problem. Will that amount of money be sufficient?

Mr. DAY. Yes, sir, we think it will.

Senator ROBERT C. BYRD. You will not need any additional money for that?

Mr. DAY. No; not at this time.

MESA PROGRAM INCREASES

Senator ROBERT C. BYRD. For electrical distribution there is $325,000 and 15 new positions needed to develop specific guidelines and procedures to be followed by the mine operators. Will that be sufficient?

Mr. DAY. Yes, sir.

Senator ROBERT C. BYRD. For equipment testing and approval, there is an increase of $400,000 and 10 positions to develop mine machinery standards and testing to assure that such equipment is mechanically safeguarding against all hazards. Will that be sufficient?

Mr. DAY. Yes; this is in addition to our ongoing equipment testing now.

Senator ROBERT C. BYRD. Will that $250,000 be sufficient for the independent study on the effectiveness and future need for improvement of mine health and safety programs?

Mr. DAY. I think it will, Senator.

Senator ROBERT C. BYRD. You think it will? Would you take a closer look at that one and see if more is needed?

Mr. DAY. Certainly. I will provide a statement on that.

[The statement follows:]

MESA feels that the $250,000 request for an independent study of the effectiveness of mine health and safety programs should be sufficient. This does not, however, preclude the fact that program deficits requiring additional resources or further indepth analysis may be identified as a result of this initial review.

Senator ROBERT C. BYRD. Do you feel that the $500,000 and 25 positions requested for senior staff and support personnel to develop the courses and course material will be sufficient?

Mr. DAY. Yes, sir.

MINING TECHNOLOGY

Senator ROBERT C. BYRD. Last year, Dr. Falkie, Department officials issued what was titled "The 5-year Plan." In this document Interior officials announced their future research plans for energy and related fields of research over a 5-year projection period. Are you familiar with that plan?

Dr. FALKIE. Yes, it was issued by the Office of Research and Development in the Interior Department.

Senator ROBERT C. BYRD. I want to be certain about this because apparently some officials in the Department of Interior are not as familiar with the plan as they should be, or perhaps they feel there is no need to live up to its announced commitments. That plan stated that in order to bring the mining technology up to the level necessary to meet our needs we would calculate $60 million in 1976, $65 million in 1977, and $75 million in 1978 and 1979 for that program. Yet I notice from your budget submission that you are only requesting $44,500,000.

Dr. FALKIE. In round numbers, that is correct, Senator.

Senator ROBERT C. BYRD. Why the fall back from $60 million to $44.5 million?

Dr. FALKIE. Well, the overall construction of the budget and the constraints placed upon the various agencies with trying to hold the budget within these wide limits is probably the reason why we didn't get to that larger figure of $60 million.

Senator ROBERT C. BYRD. Was the $60 million requested?

Dr. FALKIE. It was requested, yes, by the Bureau of Mines, Senator.

Senator ROBERT C. BYRD. And it was reduced along the way?

Dr. FALKIE. Yes.

Senator BYRD. At what point was it reduced?

Dr. FALKIE. In the mining technology budget there were various appeal processes and it was reduced within the departmental budget process and also within the OMB budget process.

ORIGINAL MINING TECHNOLOGY ESTIMATE

Senator ROBERT C. BYRD. In order that this committee may be apprised of where the reductions occurred, could you tell us what your original agency estimate was for mining technology research, the amount approved by the Department, and the amount approved by OMB?

Dr. FALKIE. I don't have those numbers here, Senator. We could supply those for the record, but basically the numbers that we originally requested were the numbers that were developed for the 5-year plan. That was $60 million as opposed to the $45 million in round numbers that we ended up with.

Senator ROBERT C. BYRD. Yes; indicate the amount approved by the Department and the amount approved by the Office of Management and Budget which, I suppose, is the final figure before us. But for the record indicate the amount approved by the Department and

the amount approved by OMB. Do that separately for coal mining technology and then a summary by activity of your entire budget.

Dr. FALKIE. We will furnish those for the record, Senator.

[The information follows:]

ADVANCING COAL MINING TECHNOLOGY

History of FY 76 Budget Request

Preliminary request to the Department	$ 62,725,000
Department recommendation to OMB	48,725,000
Final OMB Allowance	44,525,000
Total Reduction from preliminary request	$ 18,200,000

For comparison with the final OMB allowance ($44,525,000) the FY 75 base less pass through to the Geological Survey and Bureau of Sport Fish and Wildlife was $44,190,000. The nominal increase of $335,000 was considerably less than the increase in costs during the year.

IMPACT OF REDUCTION

The following examples are representative of projects under consideration at the originally planned funding level. Final decisions in each case and the final mix of projects would of course be dependent upon the quality of responses to our request for proposals and similiar considerations.

- Development of automation or remote control systems for the small, highly manuverable bolting unit now under design. This will enable the unit to operate in conjunction with the automated remote control continuous miner as part of an automated high capacity mining system.
- Accelerated development of a blind shaft boring system to decrease the time required to sink ventilation and access shafts.
- Development of an advance tunnel boring system having superior manuverability, reduced capital cost, improved advancement rates, and easier assembly relative to the conventional tunnel boring machine as used in the Eastern Associated Coal Corp. demonstration.
- Design, demonstration, and fabrication of a power cutter head raise boring unit for large diameter shafts.
- Design, fabrication, and testing of a conical boring device capable of boring 8 foot diameter holes. Design would be scaled up version of the conical borer developed by Foster Miller Associates under an existing contract.
- Development of mining system to economically and safely mine thin seam coal.
- Undertake needed ground control studies to backup our longwall mining demonstration projects and to provide the criteria for applying longwall methods to other areas in the U.S.
- Undertake work on directional drilling to recover methane in a broad range of geographic locations.
- Determine optimum well densities for methane recovery from virgin coal in a full range of coal seams.
- Develop techniques to use high pressure hydraulic jets to bore holes for quicker, dust free installation of roof bolts.

- Obtain data on coal beds and their methane content from State Geological surveys.

- Accelerate efforts to develop multiple seam mining techniques for maximum safety, recovery, and economy.

- Accelerate research on techniques to recover methane from gob areas.

- Accelerate Bureau research on developing cross-pit materials handling techniques.

- Develop the technology to surface mine and reclaim those western coal seams which are classified as aquifers. This would facilitate development of these coal reserves while minimizing the impact on water resources.

- Expand work on the development and design of optimal surface configurations and/or treatments to reduce erosion, slide hazards, improve the stability of spoil banks and outslope deposits, and develop techniques to improve the stability of highwalls.

- Undertake research on means to accelerate the training of the manpower to alleviate the critical shortage of miners.

The coal extraction research and development program was designed as a unified effort moving forward on several fronts simultaneously in order to achieve maximum rate of progress toward our goal of increased production. Reduction in the program level will result in the program being stretched out in time and losing the momentum already established.The time factor is especially important right now because many companies are considering increasing production and are reviewing actual and potential technology. Once the decisions are made, the long lead time for equipment delivery and the large capital investments in equipment and mine development virtually preclude reconsideration for the life of the mine.

BUREAU OF MINES

SUMMARY OF FISCAL YEAR 1976 BUDGET REQUEST
(in $000)

	Preliminary Request to Department	Department's Recommendations to OMB	Final OMB Allowance
Metallurgy Research:			
Advancing Minerals Technology	11,738	12,238	10,317
Effecting Pollution Abatement	2,407	2,407	2,407
Secondary Resource Recovery	2,090	2,090	2,090
Minimizing Mineral & Metal Needs	3,312	3,312	2,912
Alumina Pilot Plants	30,005	2,005	2,005
Refuse Pilot Plant	7,000	600	-0-
Salt Lake City Laboratory, Replacement	10,000	-0-	-0-
College Park Center, Replacement	10,000	-0-	-0-
Rolla (U. of Missouri), Enlargement	5,000	-0-	-0-
Desulfurization of Stack Gas	5,315	5,315	5,315
Uranium Ore Processing	2,615	1,115	1,115
Geothermal	1,215	815	515
Use Patterns	300	300	300
Oil Shale	3,000	1,500	-0-
Subtotal Metallurgy Research	93,997	31,697	26,976
(Within Target Allowance)	(28,797)		
(Over Target Allowance)	(65,200)		
Mining Research:			
Mining Health and Safety Research:			
Health Related Research in Coal Mines	3,904	3,904	3,904
Safety Research in Coal Mines	26,390	26,390	25,311
Metal and Nonmetal Health and Safety Research	9,062	5,662	5,662
Advancing Mining Technology :			
Advancing Coal Mining Technology	62,725	48,725	44,525
Advancing Oil Shale Mining Technology	7,425	5,625	5,625
Advancing Metal and Nonmetal Mining Technology	8,362	5,662	5,362
Explosives	645	645	645
Uranium	500	-0-	-0-
Subtotal Mining Research	119,013	96,613	91,034
(Within Target Allowance	(108,513)		
(Over Target Allowance)	(10,500)		

SUMMARY OF FISCAL YEAR 1976 BUDGET REQUEST
(in $000)

	Preliminary Request to Department	Department's Recommendations to OMB	Final OMB Allowance
Data Collection and Analysis:			
Minerals Information	16,181	13,181	12,012
State Liaison	2,256	2,256	2,256
Mineral Position Analysis	273	273	273
Subtotal Data Collection and Analysis	18,710	15,710	14,541
(Within Target Allowance)	(13,710)		
(Over Target Allowance)	(5,000)		
Engineering, Evaluation, and Demonstration:			
Mined Land Investigations and Demonstrations - Anthracite Area	6,814	3,814	3,814
Fire Control in Coal Deposits	241	241	241
Engineering and Environmental Investigations	2,486	2,486	2,486
Wilderness	3,666	3,666	2,619
River Basin Studies	303	303	303
Subtotal Engineering, Evaluation, and Demonstration	13,510	10,510	9,463
(Within Target Allowance)	(8,010)		
(Over Target Allowance)	(5,500)		
Program Administration:			
General Administration	1,647	1,347	1,347
Employee Compensation Payments	26	26	26
Subtotal Program Administration	1,673	1,373	1,373
(Within Target Allowance)	(1,673)		
(Over Target Allowance)	(-0-)		
Interagency Centers:			
Interagency Centers for Government, Industry and University Cooperation	5,000	-0-	-0-
Subtotal Interagency Centers	5,000	-0-	-0-
(Within Target Allowance)	(-0-)		
(Over Target Allowance)	(5,000)		
TOTAL Bureau of Mines	251,903	155,903	143,387
(Within Target Allowance)	(160,703)		
(Over Target Allowance)	(91,200)		

Senator ROBERT C. BYRD. Now——

R. & D. IN THE BUREAU OF MINES

Secretary CARLSON. Senator, may I just add to that? I think in the process there were some people worried about the capacity of the Bureau of Mines to take on additional R. & D. Looking at the budget year ahead where you have a very large jump up, where you had a large increase in the R. & D. I think you will find, roughly, from the $10 million level up to roughly $40 or $50 million level in fiscal year 1975 going into fiscal year 1976. The people were concerned with that and we checked into it. We had some major reorganizations in upgrading the capability of the Bureau of Mines and that particular barrier has been removed under Tom Falkie's leadership.

Senator ROBERT C. BYRD. The amount grew from $7.7 million in fiscal year 1974 to $46.5 million in fiscal year 1975.

Dr. FALKIE. That is approximately correct, Senator; yes.

Senator ROBERT C. BYRD. And fiscal year 1976 it is remaining at about that figure, isn't it?

Dr. FALKIE. Yes.

Senator ROBERT C. BYRD. Or it is less.

Dr. FALKIE. Well, there were some passthrough funds to other agencies that were removed, so it is about the same as it was this year. It will be about the same as it was this year.

Senator ROBERT C. BYRD. But you felt that it ought to be increased?

Dr. FALKIE. Well, we felt that the overall energy budget of the Federal Government was rapidly expanding in the whole area of fossil fuels and we feel very strongly that in order to do anything with coal you are first going to have to mine it and, therefore, we need to bring along the technology for mining.

Secretary CARLSON. I might just add to that, Senator. I am becoming particularly concerned because other parts of the Congress, in terms of looking at their priorities, feel we should spend more money in this area, but they are thinking in terms of going through other agencies and fragmenting our R. & D. effort. I think if the Congress has a different preference as to the level of funding, that it ought to be put in here, and be managed in one place and gain the benefits of being managed under one leadership.

Senator ROBERT C. BYRD. You apparently believed when you developed the $60 million request that the entire amount was necessary and it could be effectively spent?

Dr. FALKIE. Very definitely, Senator.

DEFERRED PROGRAM EXPANSION

Senator ROBERT C. BYRD. What mine and technology research did you have to drop when your request was reduced from $60 million to $44.5 million?

Dr. FALKIE. I will furnish a summary response to that question. But I might give you a few examples of the type of things that will either be delayed or perhaps not be done at all.

Our general concept was to push along the coal mining technology as rapidly as possible, as Dr. Carlson mentioned before, toward get-

ting to that 1.2 billion tons, and we were looking at the increase of the productivity of the present mining systems. You are familiar with the fact that our present mining systems operate nowhere near their practical or theoretical capacities, so we are hitting that and we are also looking far into the future as to how are we going to mine the thick seams in the West and the thin seams in the East, and to what are some of the projected ideas on advance technology. So we are approaching it from both the evolutionary and the revolutionary standpoints.

To give you an example, we could initiate a program to develop an articulated roof bolter with improved maneuverability. We could begin to develop an advanced tunnel boring system having improved maneuverability, and with reduced costs compared to the conventional tunnel-boring cost. We are trying this at the Eastern coal demonstration mine which happens to be in West Virginia. We could begin to work on this concept of how do we mine the thinner, deeper seams. We could get into more cost sharing type work in determining the effects of directional drilling to recover methane. There are many, many more things that will either be delayed or perhaps not addressed in the mining research program.

Senator ROBERT C. BYRD. These are examples of programs you would be able to research if you had the additional moneys, which you will not be able to go forward with by virtue of this reduction from $60 million to $44.5 million, is that correct?

Dr. FALKIE. Yes; or they will be delayed into the following year, or slowed down. Production will be slowed down.

Senator ROBERT C. BYRD. You gave some good examples. Would you include them and expand on them for the record?

Dr. FALKIE. Yes; we would be happy to.

[The information can be found on page 783.]

CONTINUOUS MINER

Senator ROBERT C. BYRD. We all have heard about the continuous miner. It really isn't continuous, is it?

Dr. FALKIE. No; I don't have numbers here, but we have developed a chart to depict what the best excavation capability of continuous and conventional and long wall systems are to date and what the average capacity is and what the so-called theoretical capacity is. I wonder if you might want to take a look at this, just to give an idea. There are no numbers. It just gives a relative idea of where we stand.

This is what we say: the capacity in the existing framework of technology is definitely available for increase. We will probably never reach the theoretical limits, but you can see the difference between the actual and the theoretical is so great that you have to believe you can get it up higher than what it is oday.

Senator ROBERT C. BYRD. Can you give us an approximate picture of how many hours a continuous miner can operate and then how many hours it has to be slowed down to stop in order to move this coal down the conveyor belt to the main entry?

Dr. FALKIE. Many continuous mining systems actually produce coal less than 2 hours per shift. We could provide some kind of average numbers that will be indicated with that chart.

Senator ROBERT C. BYRD. I would think it worthwhile to include this chart in the record because it very graphically indicates the average capacity, the best to date, and the theoretically possible. So this is what we are talking about, aren't we?

Dr. FALKIE. That is a significant part of the program. What I would like to emphasize to you, Senator, and Dr. Carlson alluded to this in his remarks, our approach in the Interior Department is an integrated systems approach. We are looking at the mining of minerals as a system, all the way from its geology down through the final processing of minerals. In the mining of coal we look at it as a system and we approach it from three standpoints: the health and safety of people who are mining the coal, the environmental effects of mining coal, and the productivity/production/economics aspect.

[The information follows:]

COMPARISON OF COAL MINING SYSTEMS

A continuous mining system utilizes three basic work elements - cutting/loading, transport, and roof support. The common sequence is to mine a volume of coal represented by the seam height, the width of the cut and a 20 foot advance with the continuous miner. The miner is then trammed from the wak place to allow roof supports to be installed while the miner excavates another place. Transport is typically by rubber tired shuttle cars which tram through separate passageways to a common underground loading point where the coal is offloaded for separate conveyance by either rail or conveyor belt transportation. Ancillary work elements of the operation consist of such things as ventilation, rock dusting, cleanup, maintenance, and inspection. Because of the discontinuous nature of the operations the typical actual working time might resemble the breakdown shown on the enclosed tabulation.

The enclosed graph depicts two principal thrusts of the Bureau's program. The three groupings relate to the three principal equipment systems in use in this country at present, conventional mining, which accounts for about 80 million tons of production; continuous mining which accounts for about 200 million tons and longwall mining which accounts for about 10 million tons.

There are two significant points within each of these groupings. The first is the difference between the industry average and the industry's best performance using that method. Referring back to the previous discussion on the continuous miner, the estimated average production per machine per shift amounts to 275-325 tons. The best performance of this same equipment is some 5 times the industry average. This in a sense represents one achievable target for technological development. The technological deficiencies contributing to this difference thus represent the short term thrust of the Bureau's coal mining R&D program. The second point, which represents the longer range thrust of the Bureau's R&D effort, is the even larger difference between the best performance and the theoretical capability of the equipment.

These statistics of course present only the most general picture of the situation. The point which should be noted, however, is that we have the potential for providing greatly increased coal production capacity through technological improvements in the basic tools available to us if we can pursue an energetic and sustained program of research and development.

Typical Operating Shift

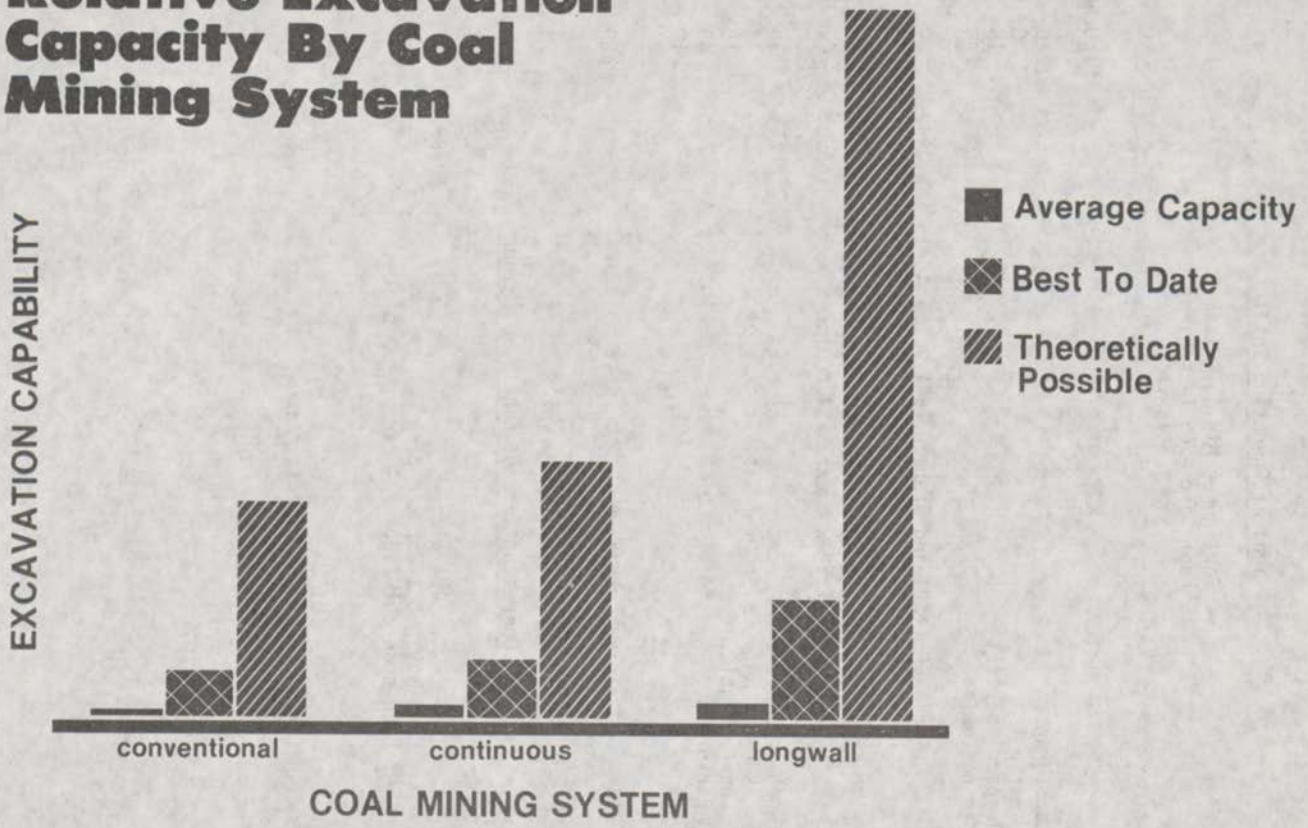
Continuous Mining System
5 Foot Seam - 68 Tons/Place
300 Tons/Shift

		Minutes
Cage down		10
Mantrip in		45
Prepare to start		15
Mining Coal:		231
Trams CM (15") and Prepare (5") 20" x 4.4 places	=88	
Load Box Cut 1.25" x 6 cars x 4.4 places	=33	
Prepare Side Cut 5" x 4.4 places	=22	
Load Side Cut 2.00" x 4 cars x 4.4 places	=35	
Car Changes 1.5" x 8 cars x 4.4 places	=53	
Lunch		35
Breakdowns, outages, roof falls, wrecks, etc.		74
Prepare to quit		15
Mantrip out		45
Cage up		10
TOTAL TIME		480

Operating Time of Continuous Miner

Trams 15" x 4.4 places	=66	
Load box cut 1.25" x 6 cars x 4.4 places	=33	
Load side cut 2.00" x 4 cars x 4.4 places	=35	
TOTAL		134
or 28% of total time		

Relative Excavation Capacity By Coal Mining System



INCREASED TONNAGE FROM IMPROVED TECHNOLOGY

Senator ROBERT C. BYRD. From the looks of that graph, theoretically, it is possible to produce how much more, would you say, than we are now producing with the same number of mines if we could improve the mining technology?

Dr. FALKIE. A significantly greater tonnage, Senator. I don't think we will ever reach that theoretical number, but there is no question that significant available capacity exists within present technology, in our opinion.

Senator ROBERT C. BYRD. From the looks of the chart you could significantly increase it, it would be doubled without reaching the theoretically possible.

Dr. FALKIE. I don't know that double is—it certainly might be a good target to shoot at.

Secretary CARLSON. Senator, may I just add that in terms of my going through the R. & D. budget and meeting with operators and miners, I found that everybody is unanimous in the belief that going for better R. & D. that results in better equipment and better processes can help all of the objectives we are seeking. Consequently, there is no conflict between operators and miners and other people in terms of this phase of governmental activity, so we are very much a supporter of efforts here.

COAL INDUSTRY AND THE 5-YEAR PROGRAM

Senator ROBERT C. BYRD. Then I suppose you have heard from the coal industry on this proposal to curtail the previously announced 5-year program?

Secretary CARLSON. Yes.

Senator ROBERT C. BYRD. What was the industry's reaction?

Dr. FALKIE. They are not at all happy with the budget that is being submitted, Senator.

Secretary CARLSON. I might say, Senator, that the feeling is just not with the operators but also with the miners in terms of all of their outlook on the terms of usefulness of R. & D. But in all fairness to the people who participated outside of our area in the budget, they were concerned as to the stimulated capacity, how fast we could expand the effort, and consequently that influenced some of the judgments.

Senator ROBERT C. BYRD. If you were able to expand to $46.9 million in fiscal year 1975 it shouldn't be too great a problem to increase it to $60 million in 1976.

Secretary CARLSON. The people who were concerned about this were worried that if in fact the stimulation had taken place from that previous step. I feel confident that we have overcome many of the barriers that we saw before.

Senator ROBERT C. BYRD. Were you able to convince the people who used the sharpened pencils?

Secretary CARLSON. Since that time the President has come down on his budget and the relative priorities are in the budget, and we have not come forward with any recommendation.

Senator ROBERT C. BYRD. Do you plan to come forward with any?

Secretary CARLSON. At this point in time, with the concern to hold expenditures across the Government, there is hesitancy to go with any amendments. However, I would point out that the President did provide an exception for energy related activities.

COAL EXPANSION VERSUS IMPORTATION OF OIL

Senator ROBERT C. BYRD. That's right. And we are talking about holding expenditures across the Government. If we can produce more coal we will be spending less for oil. We spent $25 or $29 billion. I heard both figures.

Secretary CARLSON. The correct figure is $25 billion.

Senator ROBERT C. BYRD. I think FEA used the figure $29 billion.

Secretary CARLSON. I think they are extrapolating in future years. Last year $25 billion was the importation of oil.

Senator ROBERT C. BYRD. I think their figure was for last year; even higher for future years. I just can't understand the rationale that would cause this reduction in the budget request for an item that is vital if we are going to increase the production of coal and move anywhere near the projected goal of doubling the amount of coal produced in the next 10 years. And then again, taken in the context of outgo monetary reserves that we are experiencing by virtue of the $25 billion expenditure for oil imports, I can't rationalize this in my own thinking. I just don't see how anyone else can come to the conclusion that these are the items that ought to be cut in order to hold down expenditures.

Secretary CARLSON. I think we understand your point of view on that.

Senator ROBERT C. BYRD. What about the department officials who cut this budget, what do they understand? Are they being made aware of the feelings of the coal industry and the people who work in the mines on this matter?

Secretary CARLSON. Yes.

GAO REPORT ON COAL RESEARCH

Senator ROBERT C. BYRD. You are familiar with the February report by the GAO on problems of coal research, are you not, Mr. Secretary?

Secretary CARLSON. Yes; though on the details of it I would have to refer to Dr. Falkie.

Senator ROBERT C. BYRD. Are you familiar with the point that concerned GAO? The point being that relatively a small amount of research funding has been directed to coal mining technology. The GAO was critical of the fact that less than 1 percent of coal supply research funding between 1970 and 1974 was for extraction technology. Here is an agency of the Government that is an arm of the Congress that is critical of the fact that less than 1 percent of coal research funding during that period was for extraction technology. Why isn't your budget more responsive to that problem?

Dr. FALKIE. That ties in with the overall problem of budgeting within the guidelines that the Federal Government develops its budget by, Senator. Speaking as a mining engineer, from a technical stand-

point, I would have to agree that not enough money was spent on the coal mining end of the business. I would point out that we do have a systems approach and we have been spending money on coal mine health and safety, on some of the environmental things connected with coal mining, so there has been some money spent. But quite frankly I have difficulty disagreeing with your thesis that perhaps we should be spending more for coal mining.

Senator ROBERT C. BYRD. If the committee were to restore this $15.5 million to the Bureau of Mines, could you use the additional funds in an effective and productive manner, Dr. Falkie?

Dr. FALKIE. I believe we could, Senator; yes.

Senator ROBERT C. BYRD. What do you think about it, Mr. Secretary?

HEALTH AND SAFETY R. & D.

Secretary CARLSON. Yes; and let me point out another limitation, while we are at it. We are up to the authorization limit on the other part of the R. & D. the Bureau of Mines does, health and safety R. & D. There is a $30 million limit there and at some point we ought to look at the ceiling in that area. We recommend up to the ceiling in that particular area.

Senator ROBERT C. BYRD. Let's also hold fast on the mine technology research. I won't dwell on the matter further except to say that I think someone used bad judgment, shortsighted judgment, pennywise and pound-foolish judgment, in reducing this program. The administration is spending millions of dollars or at least it is advocating that American industry and utilities should convert to coal, and in all probability programs will be enacted very shortly to provide governmental assistance in financing these conversions. Yet the effort is not being put forth—the effort that is needed is not being put forth—to bring our mining technology up to the level which will be required if we are going to meet the demand for coal in future years. I think we are being wholly unrealistic when we talk about expanding coal production to 1.2 billion tons a year if we don't develop to the fullest extent feasible the mining technology which would enable the coal industry to increase its production and move toward that objective. So much for that.

MINE SUBSIDENCE

Dr. Falkie, with respect to the problems of mine subsidence in West Virginia, the need to develop and improve our technology regarding that problem, you apparently have an ongoing problem in the anthracite coal region; is that correct?

Dr. FALKIE. That's correct, Senator.

Senator ROBERT C. BYRD. I am concerned that you do not have projects of a comparable magnitude for the bituminous coal regions of the country. The justification submitted to the committee indicates you had an anthracite program in fiscal year 1974 of $5.2 million, in fiscal year 1975 of $5.7 million, and in fiscal year 1976 a program of $3.8 million is proposed.

I am not implying any opposition to the ongoing anthracite program. I think it is very worthwhile and I support it. But I would be remiss if I did not express a concern that there is not comparable

ongoing work in the bituminous coal regions of West Virginia. Your letter to me dated March 28, 1975, indicated that you feel such a project could have beneficial results. Have you surveyed or made site inspections of any areas in West Virginia with a view to initiating a demonstration project of this type?

Dr. FALKIE. Our people have been looking into this problem, Senator.

Senator ROBERT C. BYRD. What are your findings thus far?

Dr. FALKIE. Well, Senator, the problem of mine subsidence and some of the other environmental problems connected with past mining, like mine fires and the fires that you mentioned, have been of concern to the Bureau of Mines for a long time. Our approach on these programs is from two standpoints: First is to try to build into the mining system ways that will minimize the subsidence; and two—and this ties into the specific program you mentioned—is to develop and demonstrate technology for correcting the past problems. The anthracite areas are very severely impacted areas. There are other areas in Pennsylvania, West Virginia, Wyoming, and certain other parts of the country. We have a program within our own budget to develop this technology and correct some of these problems at the same time in the anthracite area. We feel that its technology developed in that severely impacted area is transferred to other areas.

We also do work—we act as the agency, so to speak—for the Appalachian Regional Commission in doing work in other parts of the country, but that is through Appalachian Regional Commission funds.

Senator ROBERT C. BYRD. I will include in the record the letter to which I have referred.

[The letter follows:]

United States Department of the Interior

BUREAU OF MINES
WASHINGTON, D.C. 20240

March 28, 1975

Dear Senator Byrd:

This responds to a telephone call on March 26 from Mr. Joe Stewart of your office to Mr. James Paone, Chief of the Bureau's Division of Environment, requesting information about the types of project activities that could be undertaken by the Bureau of Mines in West Virginia if funds were available for such work.

Mr. Stewart was advised that we have a current program on mined land demonstration projects funded by Congress for the anthracite area and that the potential exists for the conduct of similar projects in the bituminous coal areas of West Virginia. Examples of such work could include demonstration of hydraulic backfilling of mine voids with mine waste or other material through horizontal drill holes into flat lying mined coal beds to prevent subsidence in the Tri-City area of Morgantown, Fairmont and Clarksburg, West Virginia. This general area has been subject to underground coal mining for many years and it contains mined seams where the cover is thin and highly susceptible to surface damage from abandoned mine subsidence. Improvement of the Bureau's developed pressure flushing technology could be a goal. Along these lines, we are pleased to report that the first Bureau subsidence control project in West Virginia is being initiated in Farmington through the auspices of the Appalachian Regional Commission. Seventy-five percent of the project's cost will be funded by the Federal Government and the project will be handled out of the Washington office. When completed, the Farmington project will ameliorate subsidence that is causing damage to homes, public utilities and other buildings in that city.

Another area having demonstration project potential in West Virginia is the control of underground mine fires which have an adverse effect on the surrounding environment. The Bureau could demonstrate the pressure flushing technique using a fly ash slurry to completely fill the voids to control the fire and to neutralize acid drainage from the mines.
Ltr. to Sen. Robert C. Byrd, Subj: Types of activities that could be undertaken by the Bureau of Mines if funds were available for such work in West Virginia.

Also, a pilot demonstration of the latest mined land reclamation techniques on publicly-owned land could be conducted in a way that would result in useful and productive areas such as parks, playgrounds, etc.

Mr. Stewart was advised that the Bureau would need cooperation from State and local governments to carry out the work, that projects undertaken would have to demonstrate mined land reclamation technology, and that no funding for this type of effort was provided in the Bureau's FY 1976 budget.

Sincerely yours,

Thomas V. Falkie
Director

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COST OF DEMONSTRATION PROGRAM

Senator ROBERT C. BYRD. What do you estimate such a demonstration program would cost?

Dr. FALKIE. Well, that varies very greatly, Senator, from site to site, and obviously ties in with the extent of the particular experiment that we want to conduct. But it is not cheap. It is like on the order—if you want to start a program in any given area, it is on the order of a few million dollars to get involved in this kind of thing. If you want to be more precise, perhaps a rough guess on what it might cost to do certain experiments, we would be happy to supply that to you.

Senator ROBERT C. BYRD. Could you review the problem carefully and report back to the committee within the next few weeks on a demonstration mines subsidence control program and the cost required to initiate such a program?

Dr. FALKIE. We will.

[The information follows:]

MINED LAND DEMONSTRATION PROGRAM IN WEST VIRGINIA AND OTHER BITUMINOUS COAL AREAS

An initial program for mine subsidence projects in the bituminous area, or more logically a mined land demonstration program addressing itself to varied problems or activities associated with past and current underground mining practices could be undertaken by the Bureau of Mines for a first-year program cost of $5 million. Environmental problems associated with underground coal mining are interrelated and the technology developed to solve one problem can enhance the resolution of those in other areas. We would anticipate working in such multiproblem areas as surface subsidence and in-mine disposal, solid waste disposal, acid mine drainage, coal mine waste impoundments and refuse bank disposal and fire extinguishment, coal mine and preparation plant waste disposal and utilization, and areas associated with stream and air pollution from the mining and utilization of solid fossil fuels.

Initiating work starts could be made in West Virginia where several opportunities exist for the further development and demonstration of Bureau developed technology for mine sealing; filling; subsidence control; fires; etc., and continuation of ongoing subsidence control work such as in Rock Springs, Wyoming, and new initiations in other bituminous areas such as Illinois, Indiana, Pennsylvania, etc., could get underway with a first year thrust of $5 million. Such a program would benefit and enhance ongoing Bureau activities in this area and would make the Bureau's Mined Land Investigation and Demonstration Program more meaningful and viable to the residents of areas affected by environmental problems associated with mining practices.

PREPARED STATEMENTS

Senator ROBERT C. BYRD. Do you have a prepared statement, Dr. Falkie?

Dr. FALKIE. I have a prepared statement, Senator, which I would like to submit for the record.

Senator ROBERT C. BYRD. Very well. And, Mr. Day, do you have a prepared statement?

Mr. DAY. Yes, I have, and I believe it has been submitted for the record.

Senator ROBERT C. BYRD. Very well. Both of those statements will be included in the record in their entirety.

[The statements follow:]

STATEMENT OF DR. THOMAS V. FALKIE

Mr. Chairman:

Thank you for this opportunity to discuss the programs of the Bureau of Mines and to present our appropriations request for fiscal year 1976.

I'm here today as the Director of a fully committed Bureau of Mines. Although the activities and goals of the Bureau are still much the same as those authorized by the Congress in the Organic Act of 1910, the Bureau brings a new sense of urgency to its mission and some realignments have been made to meet the challenges now confronting our Nation in minerals and materials supply. Those challenges are potentially as serious as any our country has ever faced, and the Bureau of Mines intends to be totally involved in meeting them.

As you know, enforcement of the health and safety laws regulating domestic mining operations has been transferred to the Mining Enforcement and Safety Administration (MESA), while the Bureau of Mines remains responsible for the research required under those laws. Early this year, research hitherto performed by the Bureau on the utilization of energy fuels was transferred to the newly created Energy Research and Development Administration (ERDA). But mining stays with the Bureau of Mines. With these changes now complete, the Bureau's functions have been realigned within recent weeks. The purpose is to bring our capability to recognize -- I should say to anticipate -- mineral resource issues into line with our proven ability to do something about them and to more forcefully carry out our duties in advising the Secretary on mining and minerals policies and programs.

Mineral Supply and Demand

An adequate and assured supply of minerals and energy is essential to the economic health of an industrialized nation and to the well-being of its people. With about six percent of the world's land area and six percent of the world's population, the United States last year used more than 23 percent of the world's non-fuel mineral materials and more than 30 percent of the world's energy to support an economy valued at almost $1.4 trillion. This year, even with a soft economy, we will need over two billion tons of new non-fuel mineral materials and about two billion tons of fuels.

Many of these essential materials must of necessity come from foreign sources. Imported raw and processed minerals, including energy, were valued at $42 billion in 1974. Exports were valued at $18 billion, leaving a deficit of $24 billion in the minerals balance of trade. But no longer can we take for granted a steady flow of many reasonably priced mineral imports. Foreign mineral producing nations, seeing the recent gains made by petroleum exporting nations, have intensified their efforts to receive higher and more stable returns for raw material. In 1974 many of the critical mineral materials we import were more costly and we became more aware that supplies could be interrupted for politico-economic reasons.

The problems we've had with energy can affect the production and consumption of non-fuel minerals in ways that are still unforeseen. Mineral industries are intensive energy users and significantly higher energy costs or the possible failure of specific energy sources are subjects of major concern. This is especially so at a time when mineral industries are faced with intensified demands for materials needed to develop domestic sources of energy and to improve energy generating processes.

The natural resources of the United States are vast, but to be useful to man natural resources must be found and developed. To convert natural resources into useful materials there must be a viable technology that is compatible with environmental regulations and industrial health and safety standards.

Current trends and indicators for several non-fuel mineral commodities suggest the potential for mineral problems here in the United States. These trends include: (1) increasing dependence on imports to meet demand as the development of many domestic sources of supply fails to keep pace with demand; (2) foreign supplies of certain commodities are now more costly, or subject to possible politico-economic interruptions; (3) rising costs for mineral materials, and a history of erratic price fluctuations have not provided a long-term sustained profit outlook to bring out needed investment in new plant and equipment. At current levels of economic activity, capacity may be adequate but if the economy of the United States and the world are to recover without extreme shortages and drastically high prices, additional investments in new and more efficient mineral processing facilities will be required; and (4) the higher cost of energy and anti-pollution devices may alter mineral production and consumption patterns.

In view of these trends, the Bureau will intensify its efforts to assure adequate minerals and fuels to meet current and future requirements at reasonable cost without objectionable environmental and social effects. This effort will require increased capability to identify and solve our mineral related problems and provide United States decisionmakers with increased knowledge of present and future availabilities of and demand for domestic and foreign materials under varying conditions. Such additional knowledge will require increased worldwide information; improved communication of mineral information; and sophisticated manipulation, storage, and retrieval of mineral related data.

Meeting those requirements is a major challenge for the Bureau of Mines. By meeting them, we will acquire the knowledge we must have to effectively plan and program our research and development, and we will be able to provide the policymakers in government and industry the data essential for prudent decisions in a fast-changing world.

Budget Request

The Bureau of Mines appropriation request for fiscal year 1976 is $143,387,000. This is an increase of $9,580,000 above the amount available in 1975. Most of the increase, over $6 million, is for expansion of metallurgy research and development; however, modest increases are proposed also for our mineral factfinding analysis, our mining research, and our mineral resource evaluation work.

Metallurgy - $26,976,000

The central purpose of our Metallurgy program -- like that of the entire Bureau of Mines -- is to help improve and strengthen the Nation's minerals and metals supply posture. Our research in metallurgy reflects the three interrelated factors that exercise an increasingly dominant influence on that posture. First, viewed over the long range, the problems of our materials supply are expected to increase steadily as world demand increases and as domestic high-grade ores are being used up. This will be particularly critical as other nations compete with us for limited and strategic materials. Second, as environmental awareness becomes more acute, our citizens are demanding that the minerals and metals industries

conform to rigorous new standards. Finally, the changing energy situation that confronts the United States is forcing an appraisal of the ways energy is used to produce the minerals and metals we need.

A substantial part of our effort will be aimed at improving the situation for critical imported minerals. Among these are chromium, nickel, cobalt, and bauxite. Virtually all of the chromium and cobalt and 90 percent of the primary (or new) nickel for the United States is imported. These are the metals that give the characteristic properties to stainless steels and superalloys. We need them for corrosion resistance and high-temperature strength, so we will have to rely on foreign sources unless we can change the situation. Our aim is to do just that by

-- reducing the amounts of critical metals needed for special alloys;

-- finding substitute alloying agents;

-- using other materials, such as titanium, which can substitute for steel in some uses;

-- developing the technology to process domestic resources almost too low in grade to be considered worthwhile; and

-- increasing recycling by devising better methods to process wasted materials containing these metals, nonmetallic and energy materials.

When we talk about critical imported minerals, manganese must be included. It is vital to iron and steel production and we import all we use. Three countries -- Gabon, Zaire, and Brazil -- now supply 75 percent of our needs. In efforts to reduce this dependence, efforts were made in World War II and in the early 1950's to develop effective technology. None of it resulted in domestic production, however, because it all was too expensive to compete with the relatively cheap foreign ores that were available. The situation may change somewhat if the manganese contained in deep sea nodules develops as a future resource that should be readily accessible. We are working to make sure that the most efficient environmentally-sound processing methods are available for use by this country for what may well come to be considered a world resource. Further, we will try to determine which of the technological advances made in the past 20 years can be most readily applied to our domestic manganese resources.

Platinum is another imported material that concerns us, and we are trying to alleviate, even fractionally, our dependence on foreign sources. We do not have many identified platinum resources in the United States. Because nearly all of our resources are associated with copper porphyrys, domestic production is tied as a byproduct to copper production. On the other hand, platinum and its associated metals, like palladium, are essential as catalysts in the petroleum refining and chemical industries. As a result of this demand, virtually all of our needs must be imported, a large part from Russia. If we cannot increase domestic production, then substitutes should be found for it in some uses. We will step up our research along this line, encouraged by our success in substituting rare-earth compounds for some of the catalytic applications of platinum. Rare earths, a misnomer, are abundant in the United States, and because of Bureau research the technology is available to recover them.

The United States produces about a third of the world's aluminum yet must import 90 percent of the raw materials needed, and foreign actions on the taxing of bauxite are having a significant effect on the cost of

this ore. There are abundant domestic resources such as clay, shale, alunite, anorthosite, and dawsonite, but none of the many processes proposed for recovering alumina from them has yet proved economically competitive with the Bayer process, which uses imported bauxite. The situation may well change with the rising cost of bauxite. Early results from the operation of our alumina miniplant are encouraging. This is the effort, by the way, in which eight companies have joined us on a cost-sharing, cooperative basis. We are now ready to move into the initial steps of the next stage, which is to fix the optimum process and design for a pilot plant to recover 50 tons of alumina a day from a domestic resource. Instead of building several large pilot plants, we will use thorough engineering planning and process designs for each of several technologies. Judicious appraisal of each resulting design should allow us to select the pilot plant most likely to give the lowest cost and most efficient operation.

These are only a few of our research efforts. Also important are the Bureau's work on improved materials, which in turn will help conserve mineral resources, our development of the citrate process, which will be transferred from metal smelting to electric power generation to help clean up stack gases, and our appraisals of metallurgical processes, which are showing ways to satisfy their technical requirements with lower-grade fuels.

Mining Research - $91,034,000

The Bureau's Mining Research program aims at producing technologies that will assist in meeting the increasing energy and mineral demands of this Nation at the lowest possible social and economic cost. The research program has three basic elements:

-- Mining Health and Safety

-- Advancing Mining Technology

-- Resource Conservation and Environment Protection

This three-in-one approach enables us to work to improve safety and efficiency and environmental compatibility for existing mining systems and simultaneously advance the development of safer and more productive new systems.

The progress that has been made toward improving mine health and safety over the past 30 years has come about through the combined application of mandatory standards and the implementation of new technology developed through research. The requirement for additional new technology will become increasingly critical as the mineral resources that must be extracted become less accessible. To help provide that new technology the Bureau is conducting an extensive and comprehensive research and development program.

During fiscal year 1975, the Bureau, in cooperation with a coal company, successfully demonstrated that coalbeds can be degasified ahead of mining, thus reducing the possibility of catastrophic explosions. We are excited about the fact that through further development this technology can be used to extract methane as a fuel source. Success also was achieved in the development and demonstration of an automatic fire sensing and control system for trucks and other large mobile equipment in use at surface mines. Meanwhile, a sizable array of coal mining equipment, modified to provide improved safety characteristics, is being demonstrated in two separate underground coal mines. Conventional mining equipment is

being demonstrated at the Jenny Mine in eastern Kentucky and equipment for a continuous mining system is being shown at the Peabody No. 10 Mine in Illinois. Also underway is a cooperative project to evaluate the potential of the shortwall method for increased safety in coal mining in the United States. Mining of two panels was completed with no accidents and mining of a third panel is underway. The increases requested for FY 1976 will provide for increased effort on some of the most pressing problems.

Bureau research on advancing Mining Technology aims at developing coal mining technology that can quickly provide increased coal production with minimum adverse impact on the environment. The thrust of the program can be expressed simply:

-- Improve existing mining and environmental practices to their practical limit;

-- Automate the best of existing systems to further increase production;

-- Leapfrog the conventional technological growth rate by accepting the risk inherent in the development, testing, and demonstration of promising innovative concepts;

-- Begin to develop mining systems of the future for deep seams, thick seams, etc.

The mining industry, equipment manufacturers, schools and colleges, independent research organizations and Federal, State, and local governments are partners in this research effort. More than 75 percent of the coal extraction program is in contract research, much of it cooperative and cost sharing.

In research and development on oil shale mining the Bureau of Mines seeks to solve the problems of mining the deep shales so that the full thickness of this remarkable resource might be fully utilized. In FY 1976, the deep zones will first be explored by borehole, then by a full-size shaft.

Programs on surface mining to advance the technology of mining metal and nonmetal deposits have led to the development of electronic ore sorting systems for native copper and improved methods of employing mill tailings as useful ground support. The metal and non-metal program is structured into four elements -- premining investigations, underground mining, surface mining, and in-situ extraction. In each area, emphasis is placed on developing more efficient equipment and systems to permit economic mining of lower grade ores, higher extraction ratios, and new mining technolpgies.

In FY 1976, particular emphasis will be placed on extending the technique of in-situ extraction to seek broader application of this low-cost mining method, and on the development of techniques for converting the traditionally cyclic nature of underground operations to a more continuous process.

Data Collection and Analysis - $14,541,000

The Bureau of Mines is the principal source in government for the comprehensive mineral information needed by business and government. Reliable information, made available on a timely basis, is ever more essential to the making of important administrative and policy decisions. For example, President Ford's policy of accelerated coal development utilized extensively statistical and economic information and analyses provided by the

Bureau of Mines. Every major study involving minerals (such as those conducted by the Council on International Economic Policy, the Domestic Council, and the National Academy of Sciences) depends on Bureau of Mines data. Production of coal from surface mining systems has increased from one-third of all coal produced ten years ago to one-half of all coal produced in the country at the present time. The Final Task Force Report of Project Independence Blueprint indicates that nearly 60 percent of the Nation's coal supply will be surface-mined in 1985. Surface minable coal comprises about 31 percent of the total demonstrated coal reserve base in the United States or enough to permit surface mining at the current rate for over 450 years.

To reduce the visual and environmental impacts associated with surface mining, the Bureau is investigating the rapid restoration of overburden behind the extraction process, and incorporating into the mining system technology for control of environmental problems associated with the hydrologic regime, subsequent surface use, and total resource extraction.

Mineral developments have become more sensitive to corporate and governmental policies on exploration, research, taxation, legislation, and to the attitudes of foreign countries with major mineral resources. Consequently, we plan not only to speed the collection and release of information gathered through periodic industry canvasses but also to improve our capability to collect and evaluate mineral information from foreign countries. In addition, better assessment of mineral utilization patterns will help significantly to improve the reliability of forecasts.

Conventional analytical techniques will be supplemented by greater use of computers and models to assess the potential impacts of various sets of assumptions on future mineral development. This will be accomplished in part through the integration into existing systems of electronic computing techniques and equipment coupled with improved data collection and analysis schemes. Particular attention will be given to the world mineral situation, to identify latent supply problems and develop optional means for guarding against or overcoming critical shortages.

The Bureau of Mines Minerals Availability System is systematizing the evaluation and analysis of mineral deposits internationally. This computerized system is forming an ordered, data base from which to conduct an array of engineering, economic and decision-oriented studies. The system provides an easily programmable format for adapting quickly to unexpected problems. Similar efforts are assigned to a Fuels Availability System, which facilitates prompt energy fuels analyses.

Engineering, Evaluation, and Demonstration - $9,463,000

Continuing research and demonstration work is directed to the development of systems and techniques for correcting land damage resulting from past mining or mineral processing operations and the prevention of similar damage in the future. A principal Bureau effort now is aimed at expanded use of a new "pressure flushing" system for backfilling underground mine voids to prevent subsidence, and also to control mine fires. The feasibility of this system was proved by the Bureau in Scranton, Pennsylvania, and Rock Springs, Wyoming.

Right now, we are finishing up a demonstration in the Green Ridge Section of Scranton, Pennsylvania, where more than a million cubic yards of relatively coarse mine refuse was injected into two mined-out coalbeds. Completion of the project during the current fiscal year will remove two large mine refuse banks (the Eureka and the Von Storch) from a heavily populated part of the city, and place the material underground where it

will support strata overlying the old mine workings, thereby controlling the subsidence menace. This new technique, which we find to be quicker, cheaper, and better for backfilling mine voids that have filled with water, is also being tested for controlling mine fires at Eddy Creek, in Lackawanna County; for stabilizing caved areas in the Minooka Section of Scranton; and for backfilling multiple beds simultaneously in the areas of Olyphant and Dickson City, all in Pennsylvania. We are still trying to improve the system so that it will accommodate larger sizes of refuse material.

In addition to our subsidence control work we are finishing up a demonstration project in Scranton that shows how past surface and underground-mined land can be converted to a community asset -- in this instance the Keyser Valley Park Project.

A considerable effort is being made to acquaint land planners at all levels of Government that our land is our mineral base, that we know relatively little of where our mineral deposits lie, and that since minerals are site-specific, mineral exploration should receive priority recognition in land use planning. At a time when there is increasing need to step up our domestic production of mineral raw materials, proposals to withdraw public lands for single use purposes are accelerating. We believe it highly important to provide Congress and the proposing agencies with adequate knowledge of the mineral resources involved in such proposals.

The Bureau and the Geological Survey jointly conduct mineral studies of wilderness and proposed wilderness areas. Those areas aggregate 39.1 million acres of which studies have been completed on 15.4 million acres. The studies on the remaining 23.7 million acres are required to be completed by 1983. Jointly with the Geological Survey, we are also conducting mineral studies on certain Indian lands. We are providing mineral resource inputs to other land planning such as that of River Basin Commissions and Federal land managers, for utility corridors and Federal water projects, and under a Congressional directive for withdrawal lands proposed under the Alaska Native Claims Settlement Act. We are also heavily involved in researching mineral involvement in 700-900 environmental impact statements per year. In many cases these draft documents propose administrative de facto mineral withdrawal without adequate knowledge of the mineral resources involved.

Mr. Chairman, that concludes my statement. I will do my best now to answer any questions that you, or the other members of this Subcommittee may have.

STATEMENT OF JAMES M. DAY

Mr. Chairman:

I am thankful for this opportunity to present the Mining Enforcement and Safety Administration's program plans for fiscal year 1976 and to review with your Committee our current activities and accomplishments.

The overall objective of the Mining Enforcement and Safety Administration's programs is to control health and safety hazards and to reduce fatalities and injuries in the mining industries. Programs are pursued through mine inspections, field investigations, safety education and training, health studies, technical assistance, and developing and promulgating health and safety standards.

Although Federal efforts to promote mine health and safety extend back to 1910, a strong, active enforcement role was not assumed by the Federal Government until after the passage of the Federal Coal Mine Health and Safety Act of 1969 and implementation of the Federal Metal and Nonmetallic Mine Safety Act of 1966. Enforcement of these two Acts was transferred from the Bureau of Mines to the Mining Enforcement and Safety Administration in May 1973.

Coal Mine Health and Safety

The enforcement of the provisions of the Federal Coal Mine Health and Safety Act as well as improvements made by operators have brought about a sharp reduction in injuries and fatalities in the coal mining industry since 1970, the first operative year of the Act. In that year, the coal industry sustained 260 fatal injuries at a frequency rate of 1.00 per million man-hours of exposure and witnessed a disabling injury frequency rate of 44.40. For 1974, coal mine injuries and fatalities were the lowest in statistical history as summarized in the following table.

Coal Mine Fatalities and Disabling Injuries
1970 - 1974

	1970	1971	1972	1973	1974 1/
Underground Fatalities Less Disasters	168	141	108	99	91
Disaster Fatalities	38	--	14	--	--
Total Underground Fatalities	206	141	122	99	91
Total Surface Fatalities	54	40	34	33	39
Total Fatalities	260	181	156	132	130
Fatal Frequency Rate	1.00	0.72	0.56	0.44	0.42
Disabling Injury Frequency Rate	44.40	45.89	45.67	40.42	29.22

1/ Preliminary.

While noteworthy progress has been made since passage of the Act in 1969, the record is still unsatisfactory. Consequently, we must intensify our efforts and seek new tools to achieve our goals. Accordingly, we will in the coming year concentrate on those conditions most frequently cited as being hazardous.

Last year, roof and rib falls accounted for more than one-half of the fatalities sustained in underground coal mining operations. An intensified roof control program utilizing the combined efforts of MESA's enforcement personnel, education specialists, and technical experts has been launched in an effort to reduce the number of fatalities and injuries resulting from falls of roof and rib. Also, industry, State safety agencies, labor organizations, and MESA's Holmes Safety Association are being enlisted in the program.

Regulations have been promulgated for the installation of cabs and canopies on underground self-propelled electric face equipment which should appreciably reduce fatal accidents and crushing injuries from falls of roof and rib.

In July 1973, MESA initiated a new Accident Prevention Program which calls for permanently stationing an inspector at coal mines employing more than 200 men underground and having an accident frequency rate higher than the national average. This program has proven successful. For example, the disabling injury rate at mines covered under this program has dropped from about 115 per million man-hours of exposure in July 1973 to less than 64 this year. The 1976 estimate provides for expanding this program to those mines employing 150 or more men underground.

After a legal blow was dealt to the assessment of civil penalties for violations of coal mine health and safety standards in early 1973, MESA revamped its assessment procedures and rebuilt and strengthened most of its assessment organization. The FY 1976 request for $600,000 and 30 additional conference positions should complete this organizational realignment. Although it is too early to fully evaluate the effect of these steps, preliminary results look promising.

At the heart of the new procedures are two provisions--one calling for an "additive point" formula for determining fines and another giving the operator a chance to discuss his assessment and present evidence to MESA officials before resorting to formal administrative hearings with the Department's Office of Hearings and Appeals for adjudication by an Administrative Law Judge.

These procedures were the first assessment procedures to be implemented after rulemaking affording the public opportunity to comment upon them prior to finalization. I believe that civil penalties to be effective must be imposed quickly after violation. The huge backlog which was once routine cannot be allowed to accumulate again. Our goal is to provide a current workload of 8,000 violations to be assessed and 1,200 conferences (about a month's work). Under these time frames an operator can expect to receive his assessment and conference within 90 days of the violation. We expect to achieve this goal with the increase requested.

Metal and Nonmetal Mine Health and Safety

The number of inspections conducted in metal and nonmetal mines has been increasing annually at a significant rate, from about 13,000 in 1972 to 16,600 in 1973 and over 23,000 in 1974. During this period, the number of closure orders issued jumped from 210 in 1972 to nearly 1,000 in 1973 and 1,900 in 1974. The number of notices issued has also increased significantly.

Coupled with meetings and seminars and other job safety activities, these increased and intensified safety promotion efforts have resulted in a sharp decrease in the overall disabling injury frequency rate for the metal and nonmetal mine industry and the number of fatalities for the underground mine sector. However, because of the lack of an adequate number of inspectors, it has not been possible to inspect the thousands of small surface mines (open pit, sand and gravel, and stone) even on a once-a-year basis. As a result, fatalities in surface mines have risen sharply in the last two years, even though the total for the metal and nonmetal mining industry in 1974 was the lowest in its history. The following tabulation summarizes the industry's fatalities and overall disabling injury frequency rates for 1970-74:

	1970	1971	1972	1973	1974[1/]
Fatalities:					
Underground Mines	60	56	134	49	48
Surface Mines	73	69	65	93	84
Mills	32	39	35	33	22
Total	165	164	234	175	154
Disabling Injury Frequency Rate (including fatalities).....	23.21	23.81	23.75	18.57[2/]	19.09[2/]

1/ Preliminary.
2/ Preliminary. Includes all onsite supervisory, technical, engineering, administrative, and clerical personnel. In previous years, administrative and clerical personnel were excluded, estimated to represent less than five percent of the total work force.

The increased funding requested for the Metal and Nonmetal Mine Health and Safety activity provides for the employment and training of 75 additional inspectors. These 75 inspectors will increase the inspection staff from 300 at the end of FY 1975 to 375 by the end of FY 1976, enabling MESA to increase the total number of inspections of metal and nonmetal mines from an estimated 25,000 in FY 1975 to 30,000 in FY 1976. This increase in inspection effort will help MESA meet its overall goal of reducing fatalities, injuries, and occupational illnesses of miners in metal and nonmetal mines and mills by:

-- Providing for health and safety inspection of all underground mines four times a year, plus necessary follow-up inspections.

-- Increasing the inspection coverage of surface mines on at least once-a-year basis from 75 to 90 percent of the operations, plus necessary follow-up inspections.

-- Providing sufficient health specialists and health inspectors to assure that necessary dust, radiation, and noise surveys can be conducted at targeted operations, and to conduct spot check sampling on a continuing basis at all mines and mills.

-- Providing for greater inspector presence at all extrahazardous operations and those having special safety or health problems; also, intensify regular inspections through the use of job safety analysis and similar accident prevention inspection techniques.

Education and Training

While stringent enforcement of mine health and safety standards are of great importance in achieving a safe and healthful mining environment, our education and training activities also continue to make a real contribution in the reduction of mining accidents. Education and training activities will become even more important as less experienced miners are utilized in meeting the nation's energy and mineral needs.

Experienced miners are in short supply and increased production requires increasing the mining work force. New miners need proportionately greater attention to assure that they have sufficient health and safety training to provide the protection needed when first exposed to the hazards of a new occupation--especially one as hazardous as mining. History reveals that the new miner is more susceptible to injury than experienced miners; therefore, rapid expansion in the coal industry creates a real challenge in lowering the accident frequency rates.

Technical Support

Technical Support is the scientific and engineering arm of MESA whose primary mission is to provide expert technical and engineering assistance and information which is necessary in fulfilling MESA's responsibilities.

The increase requested for 1976 will be applied to three critical areas. These represent either deficiencies that have been generated by the very progress made in technical support activities or new problem areas that have come to the forefront as a result of recent events. They are:

1. Coal Waste Impoundments and Embankments
2. Electrical Power Distribution Systems
3. Approval and Testing of Mining Equipment

Coal waste impoundments and embankments represent a serious safety problem. Immediately after the Saunders, West Virginia, dam failure in 1972, which caused the Buffalo Creek flood disaster that took at least 125 lives, MESA headed an Interior Department task force to study coal waste hazards. The findings of this task force resulted in the identification of 950 significant coal waste embankments and targeted 140 sites for high priority investigations. As an outgrowth of these findings, MESA is requesting additional funds in 1976 including funds for a mine waste testing facility.

Experiences with electrical power distribution systems applicable to mines indicate an urgent need to develop specific guidelines and procedures which can be followed by mine operators in compliance with the promulgated standards and regulations. This requires electrical engineering expertise to conduct necessary laboratory experimental work not only for present needs but also to generate necessary engineering and safety parameters associated with the high voltage currents expected to be utilized in expanding production.

Mining equipment and machinery are the source of a large number of fatalities and serious injuries in both underground and surface mines. The standards under which mine equipment and machinery are currently being approved are limited to ensuring that the power systems will not cause fires and explosions. New standards are being developed to safeguard against all operating hazards. To place these standards in operation, it will be necessary to test such operating features as braking and steering systems and control functions.

Budget Request for 1976

I would now like to summarize our budget request for 1976. We are requesting a total of $79,500,000. After adjusting for increased pay costs granted in October 1974, the net increase is $10,687,000. Increases amounting to $11,687,000 and a nonrecurring decrease of $1,000,000 in construction funds appropriated for the National Mine Health and Safety Academy are as follows:

-- $2,562,000 to maintain operations at the current level. This amount provides $750,000 for full-year costs of increases previously granted, $950,000 for scheduled promotions and within-grade step increases of inspection and support personnel, $375,000 for increased space costs, and $487,000 for employee compensation payments.

-- $600,000 to employ 30 additional assessment personnel to implement recently published regulations giving MESA the responsibility for negotiation with mining officials on the monetary value of each assessed violation.

-- $1,100,000 to employ additional metal and nonmetal mine inspectors to increase the inspection frequency rate, for the necessary spot or follow-up inspections, and for investigations of fatal accidents.

-- $2,100,000 for furnishings and equipment of the National Mine Health and Safety Academy scheduled for completion in March 1976. In addition, $500,000 is requested for an education staff to develop the curriculum and course materials for programs to be presented at the Academy and other training centers.

-- $1,725,000 for laboratory experimental work in critical problem areas of coal waste impoundments and embankments and electrical power distribution systems. $400,000 is requested for development of mining machinery standards and testing to ensure that mining equipment is mechanically safeguarded against all operating hazards.

-- $250,000 for an independent study on the effectiveness and future needs for improving mine health and safety programs.

Substantial appropriation increases in all areas--inspections, education and training, and technical support--have enabled MESA to meet its requirements of the Coal Mine Health and Safety and the Metal and Nonmetallic Mine Safety Acts. This expansion has brought about the need for an independent view of resources and manpower in an effort to determine where the greatest opportunities exist in effecting improvements and in meeting additional requirements resulting from increased mining operations. Accordingly, the request includes funding to conduct such a study during Fiscal Year 1976.

CHART PRESENTATION

Dr. FALKIE. We also had a chart presentation that we were going to give to highlight our statement, but I don't know if there is time.

Senator ROBERT C. BYRD. Would you like to do that, Dr. Falkie? I would be very pleased to have you do it.

Dr. FALKIE. If time is available, we would be happy to take about 10 minutes or so.

Senator ROBERT C. BYRD. Yes; fine.

COMPLETE MINERAL CYCLE

Dr. FALKIE. Along the lines of what Dr. Carlson mentioned, the Interior Department approaches minerals from the complete flowsheet or mineral cycle standpoint, from its geologic definition stage on through exploration into the mining, mineral beneficiation stage and then through the materials development stage and fabrication.

The Geological Survey is responsible for the exploration part of the cycle and the Bureau of Mines for the production part of the cycle down to and including parts of fabrication. The enforcement function of MESA overlaps on this, too.

But we not only get involved with the direct production of minerals, we are also involved with the recycling and materials utilization and the environmental aspects.

The Bureau of Mines mission is essentially threefold. We are commanded to conduct scientific and technologic investigations down through the whole mineral and materials flowsheet. We are also the prime collection and dissemination agency for mineral information, and we are very deeply involved in analysis and recommendations on U.S. mineral policies and programs.

BUREAU OF MINES REORGANIZATION

Because of the MESA splitoff from the Bureau of Mines and because of the fact that the fuel technology part of our energy research effort was sent over to ERDA, and because of the fact that we have an increasing emphasis on problems of mineral policy to assure that we have adequate mineral base, we have done some reorganizing within the Bureau of Mines in our two basic functions: one being the mineral and materials research and development area, and the other being the whole economic area dealing with supply and demand and information gathering and analysis. Our mining research activities again emphasizing that we approach it from the health and safety, technology, and environmental standpoints, and our metallurgy activities and helium activities come under the R. & D. side. The data collection and analysis and such things as the wilderness studies which we do jointly with the Geological Survey, and the other engineering and environmental investigations dealing with mining come under this side.

What we are noticing is that we, the country, perhaps has some potential problems with mineral supply, and this chart helps to explain this in a summary sort of way. In 1972 the difference between the imports and the exports of raw and processed minerals was some $6

billion. This is balance of trade now. In 1973 it was $8 billion. In the past year it rose to $24 billion.

BALANCE OF TRADE

We agree that we have to look at balance of trade in the overall context of the economy, but we feel that any problems being caused by this will manifest themselves in the inflationary-recessionary spiral we are in. We also agree a good deal of this is due to the petroleum problem, but there are trends which show that we could have potential problems with other minerals as well. Coal is a favorable balance-of-trade item because of the fact that we are exporting 60 million tons per year.

So our budget request is designed to attack the problem of developing technology and developing the information and analysis to prevent these problems from occurring across the whole spectrum of minerals, and we are increasing our budget in the metallurgy area quite dramatically.

We have already talked about the mining research. That budget actually goes up slightly. We are also increasing in the data collection and analysis area, and there is something like an 8-percent increase in the Bureau of Mines' budget as submitted to your subcommittee.

METALLURGY RESEARCH

Under Metallurgy research, we attack the problems of finding better materials made from more plentiful substances. We attack this problem of finding substitute materials. We are attacking the problem of developing ways to recycle waste materials, not only waste materials from mining, but also urban refuse. We have a pilot plant out in College Park that extracts minerals from raw and incinerated refuse.

ALUMINA RESEARCH

One of the areas that we are pushing is the alumina project. You may be familiar with the alumina situation when the bauxite prices have been raised over the past several years by the countries which produce bauxite. We don't have much domestic bauxite, but we do have a plentiful amount of low grade alumina ores. We have small pilot plants funded in conjunction with industry to develop ways of extracting alumina from the low grade ores. Next year we plan to go in with the development stage of two processes.

STACK GAS CLEANUP

We also have a process for what we call the citrate process for cleaning up stack gas. We have a pilot plant in Idaho for cleaning up sulfur stack gases from a lead-zinc smelter. What we are proposing here is to take that same process and try it out on a coal-fired powerplant, and that is what this money is for, for a pilot plant for a coal-fired powerplant.

Senator ROBERT C. BYRD. What is your prognosis insofar as scrubber equipment is concerned? Is this in your judgment an effective way of

removing the sulfur and lowering the sulfur emissions? Also, what about the costs involved?

Dr. FALKIE. Looking at it from an engineering standpoint, Mr. Chairman, it is our general opinion that scrubber technology, that is the economic and technologic feasibility of scrubber technology, has not yet been substantially proved to the point where we can say that that is the technology that you must use. We think that considerably more work has to be done to bring scrubber technology along to the point where we say, this is it. That is our general opinion on the scrubber problem.

Senator ROBERT C. BYRD. Are many companies investing large amounts of money for scrubbers?

Dr. FALKIE. I don't know about many, but there are more and more who are trying out scrubber technology with the idea that they are more or less being forced to go in that direction, so that they are getting more and more involved. But we, to put it another way, we consider that still to be in the research and development stage, the scrubber technology in general.

SCRUBBER PILOT PLANT

Senator ROBERT C. BYRD. Where do you intend to put that pilot plant?

Dr. FALKIE. It will be cost shared with industry and wherever we can get the best bids for cost sharing is where we will put it. There is no preconceived notion on that at all. It is going to be a competitive thing. The concept is cost sharing with the industry.

Senator ROBERT C. BYRD. Is that 50–50?

Dr. FALKIE. Generally we like to shoot for 50–50, but we like to have flexibility. A good deal of our mining research and some of our metallurgy research is being done on a cost sharing and cooperative basis with industry.

PROGRAM INCREASES

We wanted to say something about the increases. We have already talked about health and safety. We also would like to attack the health and safety research in metallic and nonmetallic mining more than we have.

We are proposing a substantial increase percentagewise and slight increases in metallic and nonmetallic research. In the data collection and analysis area there is a tremendous surge of interest on the part of the Congress, the administration, all the other Federal agencies, State governments, research and development outfits, in doing more work on mineral economics type activities.

Since we are the official agency within the Federal Government for collecting and analyzing, and since we want to have more input into the mineral policy area, we want to improve some of our computerized systems and our whole information gathering and analysis efforts in mineral supply and demand.

WILDERNESS STUDIES

In the engineering, evaluation and demonstration, I think it is important for us to know that we are proposing a fairly sizable increase for doing wilderness studies. The Geological Survey and the Bureau of Mines are the two agencies within the Federal Government charged with looking at proposed wilderness areas and other areas to be taken out of the public domain or the mineral development domain to see what mineral development potential is, and these areas are being proposed at a faster and faster rate and, quite frankly, the Geological Survey and the Bureau of Mines are getting behind in their assessments of these wilderness areas.

That gives you a rough idea of what our picture is, and the rest is outlined in the budget statement, Senator.

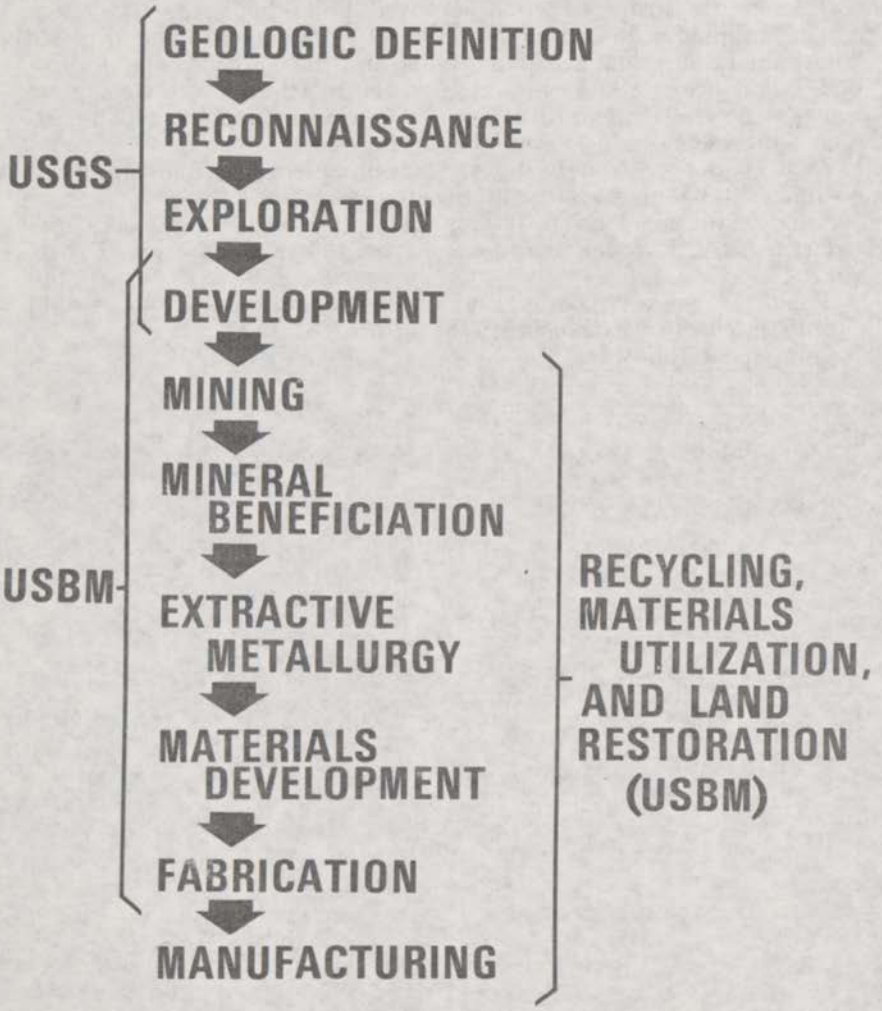
Senator ROBERT C. BYRD. That is a fine presentation, Dr. Falkie.

Dr. FALKIE. I would like to submit for the record a copy of these charts.

Senator ROBERT C. BYRD. I was just going to ask if you would supply the charts for inclusion in the record.

[The charts follow:]

THE MINERAL CYCLE



MISSION

SCIENTIFIC and TECHNOLOGIC INVESTIGATIONS

MINING - HEALTH AND SAFETY, ENVIRONMENT, PRODUCTIVITY

MINERAL PREPARATION (PROCESSING)

METALLURGY AND MATERIALS

CERAMICS

RECYCLING

MINED LAND RECLAMATION

HEALTH and SAFETY RESEARCH

USE of EXPLOSIVES and ELECTRICITY

CAUSES and PREVENTION of MINE FIRES

EFFICIENCY of MINERAL UTILIZATION

ECONOMIC DEVELOPMENT

CONSERVATION of MINERALS

COLLECTION and DISSEMINATION of MINERAL INFORMATION

ANALYSIS and RECOMMENDATIONS on U.S. MINERAL POLICIES and PROGRAMS

BUREAU OF MINES

ALIGNMENT OF FUNCTIONS

MINERAL AND MATERIALS RESEARCH AND DEVELOPMENT

- MINING RESEARCH
  - HEALTH AND SAFETY
  - NEW TECHNOLOGY
  - ENVIRONMENTAL
- METALLURGY RESEARCH
- HELIUM

MINERAL AND MATERIALS SUPPLY/DEMAND ANALYSIS

- DATA COLLECTION AND ANALYSIS
- ENGINEERING AND ENVIRONMENTAL INVESTIGATIONS
- WILDERNESS
- RIVER BASIN STUDIES

ADMINISTRATION

BUREAU OF MINES

FISCAL YEAR 1976 BUDGET REQUEST

(IN THOUSANDS)

	FY 1975	FY1976	INCREASE (+) OR DECREASE (–)
METALLURGY RESEARCH	$20,108	$26,976	+$6,868
MINING RESEARCH	89,697	91,034	+ 1,337
DATA COLLECTION AND ANALYSIS	12,445	14,541	+ 2,096
ENGINEERING, EVALUATION, AND DEMONSTRATION	10,039	9,463	– 576
PROGRAM ADMINISTRATION	1,518	1,373	– 145
TOTAL, MINES AND MINERALS	$133,807	$143,387	+$9,580

METALLURGY RESEARCH

FISCAL YEAR 1976 INCREASES

(IN THOUSANDS)

STRATEGIC AND CRITICAL MINERALS	+	$ 665
DEVELOP IMPROVED MATERIALS	+	404
ALUMINA PILOT PLANT	+	2,005
CITRATE PROCESS PILOT PLANT	+	4,205
OTHER CHANGES, NET	−	411
TOTAL	+	$ 6,868

MINING RESEARCH

FISCAL YEAR 1976 INCREASES
(IN THOUSANDS)

COAL MINE HEALTH AND SAFETY RESEARCH	+$1,371
METAL & NONMETAL HEALTH AND SAFETY RESEARCH	+ 1,005
ADVANCING METAL & NONMETAL TECHNOLOGY	+ 552
EXPLOSIVES	+ 30
OTHER CHANGES, NET	– 1,621
TOTAL	+$1,337

DATA COLLECTION AND ANALYSIS

FISCAL YEAR 1976 INCREASES
(IN THOUSANDS)

MINERAL SUPPLY AND DEMAND ANALYSIS	+$1,742
OTHER CHANGES, NET	+ 354
TOTAL	+$2,096

ENGINEERING, EVALUATION AND DEMONSTRATION

FISCAL YEAR 1976 INCREASES
(IN THOUSANDS)

WILDERNESS	+ $ 1,515
OTHER CHANGES, NET	- 2,091
TOTAL	- $ 576

METALLURGY

Senator ROBERT C. BYRD. The largest single program increase in your budget is for metallurgy, up about $6.8 million. What can we expect this program to produce in the way of real progress in the mineral supply pinch?

Dr. FALKIE. We are excited about the two programs that I mentioned as examples, Senator. The alumina recovery from low grade alumina resources and we are also excited about the possibility that the citrate process could really be developed into an economic and technically feasible process for removing sulfurous gases from various processes.

We also are attacking in our metallurgy research program almost every mineral that is in short supply in this country or in potential short supply. For example, we are looking at chromium and nickel. We have low grade laterite deposits in Oregon and several other places in the country, and we are looking for ways to make the processing technology and economics viable for extracting these valuable materials from these low grade deposits.

The metallurgy program of the Bureau of Mines has been very, very successful in obtaining immediate results, and I think that the two largest increases are for those two items that I mentioned.

MINING INCENTIVES

Senator ROBERT C. BYRD. Generally, it would appear the major thrust of your proposed budget is for accelerated Federal research and development. What does this budget provide in terms of incentives for increasing mining activity in the private sector?

Dr. FALKIE. The mining research program is basically a contract research program and the mining industry, mining companies as well as equipment manufacturers, is well represented. Perhaps more importantly, many of our contracts culminate in in-mine demonstrations of new methods or new equipment, frequently on a cost sharing basis with the host mining company. Such demonstrations not only stimulate activity in the private sector but afford an invaluable means of transferring new technology to the grassroots level and the ultimate user. Two examples are our contract in cooperation with Eastern Associated to demonstrate the application of tunnel boring machines for mine development and a new cost sharing project that has just started at the York Canyon Mine of Kaiser Steel in northern New Mexico.

Senator ROBERT C. BYRD. Is the Administration planning any proposed legislation to stimulate minerals exploration and other activities to accelerate mineral research and production?

Dr. FALKIE. Not to our knowledge with respect to the research aspects.

INDUSTRY SUPPORT FOR MINES R. & D.

Senator ROBERT C. BYRD. Last year this committee attempted to determine how much industry is contributing directly to the various research and development efforts of the Bureau. The answers we got were not too exact. Can you tell us now or for the record the amount of industry support your program will be getting for fiscal years 1974, 1975, and what you estimate for fiscal year 1976?

Dr. FALKIE. I will have to supply for the record a more precise answer. I can say this, that the cooperation and the participation by industry has been great in the mining research program and in the metallurgy research program. An example is the alumina pilot plant. The eight largest aluminum producing companies in this country are contributing $50,000 a year each for at least 3 years to help finance this project at Boulder City, Nev. In many of our coal mining projects we are going out and asking for cost sharing and getting it. Frankly, in our opinion, this is one of the real reasons why the Government should be involved in research, not only in minerals but in anything, because if you can stimulate the industry to do the research itself, act as a catalyst, and this is one of our philosophies and by getting into the cost sharing angle and having a greater percentage of our researching out for contracting, we are stimulating interest and we are catalyzing interest.

Senator ROBERT C. BYRD. I would suppose that for many years, certainly from time to time, the profitability of coal mining was such that the coal industry could not spend much money for research.

Dr. FALKIE. That's precisely correct, and that goes back to the question that you asked earlier about the overall general profitability and the industry, which for many years was not in a position to spend money on research and development. It was in a survival type of atmosphere for many years, as you know.

COAL INDUSTRY AND COAL RESEARCH

Senator ROBERT C. BYRD. Do you have any statistics that would indicate the sums appropriated by the coal industry annually over a period of the past 20 or 25 years for coal research?

Dr. FALKIE. I don't have them here, Senator. I am sure we could give an estimate on that from the industry and we could give you an idea of—a better idea of how the industry's participating in our research program, too.

Senator ROBERT C. BYRD. Well, if you can supply any information it would be helpful. Also, would you indicate the amounts of Federal funding that has been appropriated for research and development in the Bureau of Mines going back over the past 20 years, let's say. Would you do that?

Dr. FALKIE. Yes, we would.

[The information follows:]

BUREAU OF MINES

APPROPRIATIONS FOR RESEARCH AND DEVELOPMENT, FISCAL YEARS 1957–76

[In thousands of dollars]

	Metallurgy	Mining	Mined land	Total R. & D.
1976	$26,976	$91,034	$4,055	$122,065
1975	20,108	89,697	5,998	115,803
1974	15,922	44,027	5,629	65,578
1973	16,007	37,958	6,687	60,881
1972	14,397	38,814	3,950	57,161
1971	13,234	29,998	2,750	45,982
1970	12,457	18,723	1,600	32,780
1969	10,566	9,420	1,100	21,086
1968	10,560	8,823	1,100	20,483
1967	10,967	8,267	1,000	20,234
1966	10,476	6,028	1,000	17,504
1965	10,000	5,500	800	16,300
1964	9,660	4,330	650	14,640
1963	9,030	4,015	600	13,645
1962	8,010	3,305	550	11,865
1961	7,200	2,100	500	9,800
1960	6,720	1,860	450	9,030
1959	6,630	1,800	450	8,880
1958	5,940	1,470	400	7,810
1957	5,070	1,035	350	6,455

Note: Data through fiscal year 1965 represents comparable estimates.

COAL INDUSTRY EXPENDITURES FOR R. & D.

Based on a Bureau of Mines report (I.C. 7754) annual expenditures for R&D by the coal producing industry in 1955 were $3.7 million. Based on fragmentary information, it is estimated that these expenditures rose to $11 million annually in 1963 and have continued at or possibly slightly above that level since then. Accordingly, a very rough estimate of coal producing industry expenditures over the past 25 years would be $170 million.

INDUSTRY COST-SHARING FOR BUREAU PROJECTS

[In thousands of dollars]

	1974	1975	1976
Metallurgy	462	1,229	5,718
Mining	[1] 7,000	5,000	5,000
Total	7,462	6,229	10,718

[1] Reflects higher initial start-up costs for one project.

ADVANCING MINERALS TECHNOLOGY

Senator ROBERT C. BYRD. A good portion of the increase for advancing minerals technology, $100,000, is for grants. Grants for whom?

Dr. FALKIE. The grants will go to educational institutions for projects that will supplement and augment our program. We have let the academic minerals community know the areas where it can complement our research and development, and the response has been excellent. Examples of universities from whom we have already received proposals include Colorado School of Mines on vapor phase extraction of nickel from low-grade ores; Stevens Institute of Technology on ex-

traction of manganese and other critical metals from seawater nodules; University of Alabama on benefication of domestic bauxite for refractory use; Carnegie-Mellon Institute on kinetics of iron-ore reduction; and West Virginia University on direct reduction of iron ore.

Senator ROBERT C. BYRD. Half of the $404,000 increase for research on improved materials is also for grants. How, where, and by whom will this work be performed?

Dr. FALKIE. The grants in the materials area will go to academic institutions with basic expertise in the minerals/materials field. The academic community is aware of our materials research program and needs; many have already sent us proposals for research to augment our in-house program. Among those that we have received are Georgia Institute of Technology on improved refractories; Pennsylvania State University on ceramic processing; Northwestern University on corrosion-resistant alloys; University of Illinois on wear-resistant coatings; University of Minnesota on corrosion resistance of stainless steels to bacteria; Louisiana Technical University on use of cryogenic treatment to improve abrasive wear resistance of nonferrous metal; and University of Missouri-Rolla on tempered nodular cast iron.

ALUMINA FUNDING

Senator ROBERT C. BYRD. Some $2 million and five new positions are requested for your continuing effort to recover domestic alumina. How much has been invested in this work to date?

Dr. FALKIE. Major emphasis on recovering alumina from domestic resources started with implementing our miniplant project at Boulder City, Nev., for fiscal year 1974, with $500,000. Complementary research and services at other Bureau facilities added another $200,000 that year. In fiscal year 1975 we are spending $1.2 million on alumina research, with $700,000 of that at the Boulder City miniplant. Thus Federal funds invested in this effort to date total $1.9 million.

ALUMINA COST SHARING

Senator ROBERT C. BYRD. You indicate eight aluminum firms are cooperating in the alumina research on a cost-sharing basis. To what extent? Please supply the detail, including 1976 estimates.

Dr. FALKIE. Eight firms have each contributed $50,000 in fiscal year 1975 for a total of $400,000. These are Aluminum Company of America, Aluminum Company of Canada, Ltd., Amax Aluminum Co., Inc., Anaconda Aluminum Co., Consolidated Aluminum Corp., Kaiser Aluminum and Chemical Corp., Martin Marietta Aluminum, Inc., and Reynolds Aluminum Co. At this time we expect all eight to continue to participate in the alumina miniplant project in fiscal year 1976 on a cost-sharing basis, again for $50,000 each.

In addition to direct monetary contributions, these firms commit additional funds internally in terms of company personnel and administrative input in supporting the overall program. They also supply technical information not otherwise available to the Bureau, and provide raw materials for testing in the miniplants.

PILOT PLANT

Senator ROBERT C. BYRD. How long do you anticipate it will take to select the most promising process for testing in a pilot plant?

Dr. FALKIE. About a year after a contract is issued for the design of several pilot plants based on the information generated in the miniplant project. The finished designs will then allow selection of the best among them. This planning and design contract, which will take virtually all of the $2 million increase, will be negotiated and given before the end of fiscal year 1976. The miniplant project, by the way, will be feeding data into the designs all during the contract.

Senator ROBERT C. BYRD. How would the pilot plant program be financed?

Dr. FALKIE. We hope the interest of the aluminum industry will remain high because we are expecting to finance the pilot plant project program on a cost-sharing basis with the Federal Government paying half and industry half.

SECONDARY RECOVERY

Senator ROBERT C. BYRD. The Bureau has an ongoing program of research into improving recovery of metals from garbage, junk cars, and the like. Where do you stand now? Is this leading to anything with immediate prospects or success?

Dr. FALKIE. We have already been exceptionally successful in transferring the results of our secondary resources recovery research to the industrial sector. Several of our technologies are now either demonstrated or are in actual production operation. As a direct result of our research on incinerated refuse residues, a plant capable of processing 250 tons of residue per day is to be constructed in Lowell, Mass. It will treat incinerated refuse from two to three incinerators in the State and recover ferrous, nonferrous, and glass fractions for reuse in nearby industries.

This plant is jointly funded by the Environmental Protection Agency, the State of Massachusetts, and the city of Lowell. Also, our research on recovering useful materials from raw urban refuse, or garbage, has led to the development of a basic process which several municipalities have utilized in their plans for constructing full-scale municipal refuse processing facilities. Only last month Monroe County in New York State contracted for a 1,000-ton-per-day resource recovery facility that would be similar to the system we developed. Our basic process needs to be developed further so that recovery of the various products can be optimized, and we plan to continue our pilotplant studies at our College Park, Md. Metallurgy Research Center.

Bureau research on the junk automobile problem has been recognized nationally and worldwide. The technique we developed for incinerating junk cars without air pollution has been commercially adopted by over two dozen companies. Our techniques for shredding and separating the incinerated auto has been accepted by over a dozen firms. We are now undertaking cooperative research with the automotive industry to develop techniques for recovering metals and

plastics from late model automobiles so that as the composition of discarded cars changes, processes will be available for recovering the lightweight metals and plastics from them.

In the area of industrial waste, we have developed a pollution-free process for recovering lead from discarded lead storage batteries that is being adopted by a west coast metals reclaiming company. Our research on electroplating solution wastes has led to one company's acceptance of the technology for neutralizing the difficult-to-handle wastes while simultaneously recovering useful metal products which were heretofore lost. There still are many problems associated with industrial wastes that must be solved. Of particular interest, our efforts on recovering aluminum from dross and slag wastes are being closely watched by the aluminum industry.

SALT LAKE METALLURGY CENTER

Senator ROBERT C. BYRD. How far along are you on the design of the Salt Lake City Metallurgy Research Center, for which we appropriated $700,000 in the current year?

Dr. FALKIE. As soon as the fiscal year 1975 appropriations were enacted, we started negotiations with the Division of Construction Management, Public Buildings Service, General Services Administration, in Denver to be our agent in selecting and supervising a qualified architectural firm for the design. Also, we made a complete survey of our space requirements for the new Salt Lake City Metallurgy Research Center and transferred to GSA a part of the $700,000 appropriated this fiscal year for planning and design. GSA currently is preparing a preliminary estimate of the cost of the replacement facility and on our indicated space needs. We expect an architect to be selected soon, after which there should be no undue delay in the design work.

Inflation has had a marked effect on the cost of construction. Since enactment of Public Law 92–287, which authorized a sum not to exceed $6 million for the engineering, design, and construction of a replacement facility, the cost of construction has increased substantially, and we have been informed by GSA that the cost of the new facility will be higher than the original estimate.

Senator ROBERT C. BYRD. When do you think you'll be ready to go to construction?

Dr. FALKIE. We will be ready for construction as soon as the final engineering design and architectural drawings are finished, probably in the third quarter of fiscal year 1976.

MINE HEALTH AND SAFETY RESEARCH

Senator ROBERT C. BYRD. Of your requested $1.3 million increase for coal mine health and safety research, $400,000 deals with noise levels. MESA also has a program in this area. Who does what, and how do you avoid duplication?

Dr. FALKIE. The increase of $402,000 for the Bureau of Mines is to accelerate research on application of corrective measures to mining machines to achieve reduction of noise levels. This increase will allow

a total research effort of approximately $1 million in fiscal year 1976 on development of technology to solve problems of compliance with mandatory noise standards in both underground and surface mines. A small part of this, about $25,000, is for development of technology to achieve reduced noise levels.

According to the fiscal year 1976 budget justifications for MESA, technical support conducts studies in the noise area which involve determination of noise sources, development of methods and procedures for abating high noise levels, and development of test procedures for evaluating noise measurement instruments.

Duplication of effort is avoided through MESA's input to and review of the Bureau's research program. MESA is fully aware, prior to the start of the fiscal year, of the planned contracts and inhouse projects in the Bureau of Mines research program. MESA personnel also participate in evaluation of all proposals for contracts, contract clarification sessions, and selection of the contractors for the Bureau of Mines' noise research program.

INDUSTRY CONTRIBUTION

Senator ROBERT C. BYRD. In coal or other mines, what kind of industry contribution do you get in your health and safety research work?

Dr. FALKIE. The mining industry, both coal and metal/nonmetal segments, has been supporting the Bureau's mining research efforts at increasingly higher levels over the past 5 years. Direct support from industry is reflected largely through formal cooperative agreements whereby a mining company will permit Bureau researchers to enter company properties for the purpose of conducting research projects. Industry contributes the working place, personnel, equipment, and supplies in support of Bureau research activities that by nature of the work must be conducted at and/or in actual mining situations, or in the support of testing and/or demonstration of research results occurring at Bureau maintained research facilities.

Presently there are 56 active cooperative agreements between the Bureau and the mining industry. Although it is difficult to place a monetary value to this contribution it is believed to be substantial. Additional industry contribution to the Bureau's mining health and safety research efforts are made through Bureau/industry cost-sharing contracts wherein industry assumes at their expense a portion of the financial cost of pursuing a particular research effort. From the beginning of fiscal year 1974 to date, the Bureau has entered into 11 cost-sharing contracts with mining companies. The total cost of these contracts is about $12 million. Industry's share of this total amounts to about 30 percent. It is anticipated that industry's participation in cost-sharing contracts will increase in the future.

AUTOMATED LONGWALL RESEARCH

Senator ROBERT C. BYRD. Supplemental information on coal mining technology supplied at the staff's request indicates your biggest allocation of funding is for automated longwall work—$7 million. Tell us about this effort. Where is it being conducted?

Dr. FALKIE. The objective of the automated longwall subprogram is increased production of coal through development and use of improved, remotely controlled, and automated longwall/shortwall mining systems. Longwall/shortwall systems presently approximate truly continuous mining more closely than any other mining system. Ninety percent or greater recovery of a coal seam can be realized with longwall system, as compared with a national average of 55 percent with room-and-pillar methods. Longwall methods are safer than other mining methods because the workers are always under continuous roof support and the number of mobile pieces of equipment is reduced.

The program includes demonstrations of longwall technology not presently practiced in this country; development of criteria for the design of longwall systems and the selection of equipment; and development of equipment to automate the mining systems. The work is being carried out across the United States. Representative ongoing projects include: (1) Demonstration of shield-type longwall supports in cooperation with Kaiser Steel Corp. at their York Canyon Mine, Raton, N. Mex.; (2) demonstration of an advancing shortwall mining system in cooperation with Valley Camp Coal Co., near Tridelphia, W. Va.; and (3) a demonstration of longwall mining in cooperation with the Old Ben Coal Co., to demonstrate new longwall technology in the State of Illinois.

Several contractors are working on specific elements of the program, including NASA at the Marshall Space Flight Center, Huntsville, Ala.; General Electric Co., Schenectady, N.Y.; University of Missouri at Rolla, Mo.; and West Virginia University, Morgantown, W. Va.

MOST PROMISING COAL EXTRACTION

Senator ROBERT C. BYRD. Which of the various coal extraction projects in your program provides the most promise for increasing production of eastern coals?

Dr. FALKIE. The coal extraction program was developed somewhat along a systems approach in that we recognized that certain functions were essential no matter which operational mining system was used. For example, success in the high-speed mine development, coal haulage, roof support, methane drainage and automation subprograms will all contribute to increased productivity from longwall mining. Conversely, each is a potential weak link in the chain of production. Our strategy is to strengthen the chain by strengthening each link. To illustrate my point let me describe just three of our subprograms. First is the methane drainage subprogram. Methane exists under pressure in vast quantities within the eastern coal beds. When mined the coal emits methane to the ventilating air in direct proportion to the rate of coal extraction. Low concentrations of methane in air, as low as 5 percent produce explosive mixtures. To maintain methane concentrations at allowable levels with ventilation alone in the development of many eastern coal beds is extremely difficult if not totally impractical. Consequently, potential coal production rates using existing equipment and equipment under development cannot be realized unless techniques are developed to remove significant amounts of the methane

in advance of coal mining. The methane subprogram has developed techniques to vent methane ahead of production. Those methods are now being refined to accommodate rapid coal mine expansion while obtaining methane at a commercially saleable rate.

Second is the high speed mine development subprogram. In order to increase coal production, new mines will have to be opened and established mines expanded. This means that large numbers of entries will have to be driven and shafts sunk to meet ventilation requirements and to provide access for men and materials. Conventional methods of shaft and entry development are slow, inefficient, and dangerous. The high-speed mine development subprogram is engaged in developing equipment to drive entries and sink shafts at accelerated rates substantially beyond those presently obtainable using conventional methods. In conjunction with equipment development new entry concepts are being applied. These concepts are designed to reduce the number of entries required, reduce ventilation, and maintenance costs and improve safety.

Third is the automated longwall subprogram. Longwall systems presently approximate truly continuous mining more closely than other mining systems. Ninety percent or greater recovery of a coal seam can be realized as compared with a national average of 55 percent with room-and-pillar methods and long-wall methods are safer because the workers are always under continuous roof support and the number of mobile pieces of equipment is reduced. The automated longwall subprogram is engaged in the development and promotion of improved, remotely controlled, and automated longwall mining systems.

Senator ROBERT C. BYRD. How much of your coal mining technology is in-house and how much is contract work?

Dr. FALKIE. In terms of project activity, the ratio is about 12 to 1. For every dollar that goes into in-house research, $12 goes into contract research, excluding the cost of contract administration.

RESEARCH EMPHASIS

Senator ROBERT C. BYRD. How does your coal mining technology program break down between eastern and western coals?

Dr. FALKIE. Most of the technology under development in this program will be applicable to both eastern and western coals. Subprograms concerned with automated continuous roof support, automated longwall, high speed mine development, and continuous face to preparation plant haulage systems are expected to have greatest impact on coal mining in the six State area of Illinois, Kentucky, Ohio, Pennsylvania, Virginia, and West Virginia where approximately 85 percent of U.S. underground coal is being produced. Recognizing the unique problems associated with mining thick and multiple coal seams in Western United States, one subprogram is aimed at developing underground mining systems which can produce coal from these deposits at acceptable cost, with adequate resource recovery, and with acceptable environmental impact.

OIL SHALE EXTRACTION

Senator ROBERT C. BYRD. You are at about the same program level—$5.6 million—for oil shale extraction. How long do you anticipate this work will continue and what results can we expect?

Dr. FALKIE. This is the second year of the program and the second year at a program level of $5.6 million. However, about $2 million in fiscal year 1975 funds will be carried over into fiscal year 1976 in order to start preliminary work on the mine shaft which will give us access to the deep shales. We expect the shaft to be completed in 1980 and we expect to be able by that time to demonstrate mining systems that will enable us to mine the full section of oil shale rather than just the high grade zones as is now most likely.

Senator ROBERT C. BYRD. Water is continually mentioned as one of the big development problems in oil shale. What has your research turned up so far in this area?

Dr. FALKIE. We have not gotten far enough into our research program to do much more than recognize the magnitude of the problem. Our principal concern from an operational standpoint is the effect that the large quantities of saline water in the saturated zone will have upon deep mining. Conventional pumping appears to be out of the question because of disposal problems. Our current research in cooperation with Development Engineering, Inc., suggests that some saline water may be used to help compact and stabilize spent shale waste embankments provided seepage can be controlled. We will be working in close cooperation with the Geological Survey in learning how to cope with saline water without jeopardizing the limited fresh water resources at the Piceance Basin.

METAL AND NONMETAL TECHNOLOGY

Senator ROBERT C. BYRD. There is a $500,000 increase requested for metal and nonmetal technology. What particular work is being expanded?

Dr. FALKIE. An increase of $250,000 is requested for expanding research on the in situ leaching of metallic deposits. This method offers a low-cost method with inherent environmental and safety advantages for the mining of minerals such as copper. Problems such as rubblization, permeability, caveability, ground water contamination, subsidence, and containment of the leach solution required additional effort. Research will be undertaken in coordination with a related research program on metallurgical research. An increase of $302,000 is requested to expand research on room and pillar mining. This is, and will probably continue to be, the major large-scale mining method. Principal problems are the need to reduce the cyclic nature of the operation and to improve the overall extraction ratio. These problems are similar to those faced by the coal mining industry prior to the introduction of continuous mining machines and more recently the shortwall mining system. In view of the proven sucess of these systems in coal mining, research will be undertaken to develop hard rock equivalents to adapt these successful methods to noncoal mining.

Senator ROBERT C. BYRD. Do you have any benefit-cost ratios for your metal and nonmetal program?

Dr. FALKIE. Current cost-benefit ratios are not available for this program. This program has undergone a transition from a structure of basic, midterm, and applied research to one which is oriented to the types of mining. The historical structure of this program did not permit the development of cost-benefit ratios with the exception of some special instances where specific commodity oriented projects were undertaken. We are presently working on examining cost-benefit ratios for the current program.

MINING EXPLOSIVES

Senator ROBERT C. BYRD. Much of your research work on explosives seems to be related to oil and gas production. Hasn't this type of research been assigned now to ERDA?

Dr. FALKIE. The explosives research related to oil and gas production which was conducted at the Bartlesville Energy Research Center has been transferred to ERDA. The Bureau continues to have the responsibility for testing new permissible explosive formulations for MESA. In fiscal year 1976, new schedule tests will be devised for fire extinguishers containing explosive elements, detonators with plastic or steel shells, nonincentive detonating cord, and for applicability of the airgap test to water gel explosives. Research will be expanded for hazards analysis of detonating cords, initiation parameters and systems, and methods of locating undetonated explosives. Evaluation of new explosive formulations and basic studies on detonation growth and decay will continue.

DATA COLLECTION AND ANALYSIS

Senator ROBERT C. BYRD. Another one of the GAO criticisms on coal research—and it could be applied to all mining research—was the lack of good information and data. Will your proposed increase for data collection and analysis help meet this need?

Dr. FALKIE. Yes; it will. Although our data collection and analysis programs were deemed adequate during the many years in which our domestic fuels and minerals supply was in better balance with demand, the situation, particularly with respect to fuels, has changed rather abruptly. The need for additional and better data and analysis is apparent from the complex evaluations that are now required to make energy policy decisions, including those on mining research programs.

Major improvements in information collection, analysis, and dissemination that will assist coal mining research programs are planned. First we plan to make more detailed forecasts as to the quality of coal needed to meet future demand. Information will be developed as to the sulfur, ash, ash softening temperature, moisture, heating value, and trace element content of coal required for optimum operation in all types of consuming plants of the future. Current and proposed air pollution regulations, for example, are having a significant impact on the selection of coals for future use. We also plan to make a determination of the location and physical characteristics of coal reserves

of the specific qualities required for future markets. Better information on the location and physical characteristics of reserves of coals of the needed qualities will indicate the mining method to be used (surface or underground) and associated operational, safety and environmental problems. Special conditions may exist—for example, very thin or very thick seams, or abnormal associated strata—for a type of coal in heavy demand for which nonconventional mining methods will have to be developed.

The Bureau of Mines plans to increase the breadth and coverage of coal and coal-related information, not only with respect to chemical and physical characteristics of the coals needed for the future, but also on reserve ownership; beneficiation; transportation by all modes, including rail, water, truck, and pipeline; utilization; byproducts (including fly ash); and marketing patterns.

Senator ROBERT C. BYRD. What is the $880,000 in contractual services needed for in data collection and analysis? Is that mainly computer services?

Dr. FALKIE. The $880,000 has been designated to fund contracts to colleges, universities, and State geological groups for the minerals availability system. The object of this system is to define and rank contingencies of supply available by subjecting each potential deposit to a financial evaluation and thus estimating the market price necessary to free its reserves.

These contracts will provide preliminary deposit evaluations which are foundational to a full system performance. None of the requested funds will be expended for computer services per se.

ENGINEERING, EVALUATION AND DEMONSTRATION

Senator ROBERT C. BYRD. Under "Engineering, evaluation and demonstration," why do you propose reductions in both anthracite and Rock Springs for work on mined lands?

Dr. FALKIE. The reductions shown for these two items are budget constraints based on the fact that they consist of specific congressional add-ons for fiscal year 1975 and are not considered by the Agency as a regular part of the Bureau's budget base for fiscal year 1976.

Senator ROBERT C. BYRD. There seems to be a persistent difference of opinion between Congress and the administration over the priority for this mined land work. It would be helpful if you would supply a statement to the committee setting out the Bureau's view on this work and how it ranks in priority to other projects.

Dr. FALKIE. Our view with regard to the mined land work is that it is a legitimate function of the Bureau of Mines to continue the work we do under Section 205 of the Appalachian Act (Public Law 89–4 as amended) and under other congressional authorities, and to carry out mining area reclamation research and demonstration projects and studies such as the Bureau-developed "Pressure Flushing Technique for Filling Abandoned Mine Voids," and also to improve current technology to reduce the cost of doing the program work. The control of underground mine fires, the extinguishment and removal of abandoned mine waste stored on valuable surface land, the prevention of

mine subsidence, and reclamation of surface mined land, and other activities directed toward correction of environmental damage caused by past mining practices, is expensive. Opportunities exist to develop new and to refine existing technology that can reduce these costs. The Bureau of Mines is the only Federal establishment with experience in administrating public works type projects to correct past damaged mine lands. What we need to do now is more R. & D. in this area—not only in the anthracite region of northeastern Pennsylvania but also in the bituminous areas of the nation where the same type of problems exist and where conditions are different enough to require this type of R. & D.

We cannot rank this type of work as a first priority over other essential project areas of the Bureau. It is a fairly new area and one that we feel offers great potential for making significant contributions to the proper conservation, development, and utilization of our mineral resources.

Senator ROBERT C. BYRD. Is there any State matching program authorized for subsidence and other mined land projects?

Dr. FALKIE. Yes. There is the Mine Fire Control Act, Public Law 82–738, where any State can apply for a project to control an underground or outcrop coal mine fire by paying 50 percent of the project cost. Projects on Federal and Indian-owned lands are funded 100 percent by the Bureau.

There is Public Law 84–162, the Mine Drainage Act, and its amendment, Public Law 84–181 which allows the Bureau to make grants to the Commonwealth of Pennsylvania to drain anthracite mines for conservation purposes and, under the amendment, to seal and fill voids in abandoned anthracite mines to prevent mine subsidence in the interest of public health and safety. The Bureau pays 50 percent of the cost of these projects.

There is Public Law 89–4 as amended, the Appalachian Regional Development Act of 1965, whereby the Bureau, acting as agent for the President's Appalachian Regional Commission, administers section 205 of the act "mining area restoration" throughout the 13-State region. Projects are funded at 75-percent Federal with a 25-percent contribution from the State or local government in dollars or the value of services in kind to extinguish mine fires, control subsidence, reclaim publicly owned strip-mined lands, remove nonburning and extinguish burning mine refuse banks that are publicly owned, seal abandoned oil and gas wells, and conduct water pollution control projects in areas affected by acid water drainage from abandoned coal mines.

All of the project types noted under this inquiry are of a public works nature and do not allow funds to be spent by the Bureau for R. & D. activities.

ALASKA MINERALS

Senator ROBERT C. BYRD. Why are you discontinuing the funding we added for mineral appraisals in Alaska. Is that work complete?

Dr. FALKIE. Your question refers to the $300,000 that Congress added to our fiscal year 1975 budget for mineral appraisals of D–2 proposals under the Alaska Native Claims Settlement Act. We did not request similar funds in fiscal year 1976 because we felt it would not

be consistent with the Secretary's recommendations to Congress in December 1973 that were made in compliance with the D–2 directive in ANCSA. Overall, we are not discontinuing our mineral appraisals in Alaska. The mission of our Alaska Field Operation Center in Juneau is the continuing evaluation of Alaska's mineral development potential.

In answer to the second part of your question, the mineral potential of Alaska is virtually unknown. Mineral evaluations are a continuing process. As better concepts are developed as to why ore deposits occur where they do, new discoveries—if the lands remain open to exploration—will be made. Any evaluation of mineral potential, whether by Government or by industry, is only as good as the interpretive techniques and tools available at the time.

Senator ROBERT C. BYRD. What did you accomplish with the $300,000 provided for the Alaska work in the current year?

Dr. FALKIE. Under the contract that we will soon let to a highly qualified Alaska exploration company, field work will begin this spring as early as weather permits in 19.2 million acres of four D–2 areas in and adjacent to the Brooks Range. As you know, the $300,000 add-on to our fiscal year 1975 budget came too late to begin work last summer. Obligating the funds under contract will permit an 18-month evaluation period that will assure their best utilization. Working with the contractor, we expect to produce a report that will develop the best overall picture of the mineral potential of this vast area to date.

WILDERNESS MINERALS

Senator ROBERT C. BYRD. Will the $1.5 million increase for wilderness mineral studies—more than double the current program—get you on schedule to complete this work by the 1983 deadline?

Dr. FALKIE. With the $1.5 million increase for wilderness mineral studies, we expect to be able to complete an average of about 2 million acres per year. To date we have evaluated 15.4 million acres and have 23.7 million acres remaining to be studied by the 1983 deadline. Complicating our scheduling is the steadily increasing workload as the Forest Service adds new wilderness candidate areas to their study list. Along this line, we might add that in some of the bill we have seen to date providing for a Bureau of Land Management organic act, wilderness review provisions, including mineral studies, could apply to BLM's estimate of 70 million acres of roadless areas of 5,000 acres or more and an unknown number of roadless islands.

Senator ROBERT C. BYRD. How much of the wilderness study increase is to cover cost hikes and how much for actual program increase?

Dr. FALKIE. It is difficult to identify an overall percentage increase in wilderness mineral study costs applicable solely to rising prices. Since 1966–67 our average professional costs rose about 64 percent while goods and services rose about 57 percent. Helicopter costs have almost doubled in the last 4 years, and our sample analytical costs have risen 40 percent in the last 2 years. The major component in our rising study costs are attributable to other factors. As we increase our efforts in more of the highly mineralized and geologically complex wilderness candidate areas, our professional costs per acre increase. Further,

most of the newer wilderness candidate areas are smaller than the original primitive and wilderness areas and costs per acre are correspondingly greater.

MAINTENANCE

Senator ROBERT C. BYRD. Is your $108,000 increase for maintenance being allocated entirely to the Pittsburgh/Bruceton facilities?

Dr. FALKIE. Yes, the $108,000 is for upgrading roadways and sanitary and storm sewerage related items at the Pittsburgh/Bruceton facilities.

Senator ROBERT C. BYRD. What other amounts are you budgeting for maintenance, and where will the principal work be done?

Dr. FALKIE. In fiscal year 1976 we are not requesting any other funding for upgrading or extraordinary maintenance of our facilities. Routine maintenance, of course, will be performed at all our facilities.

Senator ROBERT C. BYRD. Why wasn't work of this nature included in your estimates for supplemental employment funding, the bill we recently handled to accelerate job-producing programs?

Dr. FALKIE. Other than the $108,000 requested for Pittsburgh/Bruceton, we do not have any significant requirements at this time for upgrading of facilities that could suitably have been requested under the job-producing programs.

LAPSED FUNDS

Senator ROBERT C. BYRD. Your tables show a lapsing unobligated balance of almost $478,000 in fiscal year 1974. What was involved in that?

Dr. FALKIE. The $478,000 lapsing unobligated at the end of fiscal year 1974 represented bits and pieces from all our activities and amounted to less than six-tenths of 1 percent of our program for that year. Administratively it is impossible to avoid a deficit, which we must do, and obligate every dollar.

Senator ROBERT C. BYRD. Do you anticipate any lapse in the current year?

Dr. FALKIE. Our current year program is financed with annual funding of $59,616,000 and no year (available until expended) funding of $74,191,000. We expect a small lapse of annual funds—say in the neighborhood of one-half of 1 percent or $300,000.

TRAVEL AND RENT

Senator ROBERT C. BYRD. You are budgeting a $413,000 increase in travel, a 25-percent increase. Why?

Dr. FALKIE. Half of that, $206,000 is for one program, Mr. Chairman, in the wilderness program where we are stepping up our mineral surveys on proposed wilderness lands. Travel is absolutely necessary in that activity to get out into the field where the surveys are made. The balance of the increase is for our metallurgy, mining, and data collection programs where we are finding it necessary to perform much more travel in connection with our increasing contracts programs, our efforts to get newly developed technology transferred to the industry, and in maintaining closer contacts with our people and the industry

people in the field. We are budgeting only a minimum and essential increase, Mr. Chairman, and in fact, may not have requested enough travel to properly do our job judging by all the restrictions we have had to institute to try to stay within our travel budget for this current year.

Senator ROBERT C. BYRD. You show a 13 percent increase in rent, communications and utilities. Is that mainly GSA space cost increases?

Dr. FALKIE. Yes; about 70 percent or $351,000 of that increase is for GSA space cost increases.

GRANTS AND CONTRIBUTIONS

Senator ROBERT C. BYRD. Your object classification shows a total of $2.1 million in grants and contributions, an 18 percent increase. Why is this increasing at a greater rate than your overall program increase?

Dr. FALKIE. Almost $7 million or 72 percent of our overall fiscal year 1976 increase is for expansion of metallurgy research and development. Our requested increase for grants and contributions of $325,000 is entirely for use in support of that program. We should also mention that we are doing an increasing amount of our work through grants and contracts to industry and universities because of constrained personnel ceilings. We shall be pleased to furnish for the record a breakdown of our estimated grants for fiscal years 1975 and 1976.

[The statement follows:]

RESEARCH GRANTS, FISCAL YEARS 1975–76

[In thousands of dollars]

Activity	Fiscal year 1975	Fiscal year 1976	Increase
Metallurgy	$742	$1,067	$325
Mining	1,054	1,054	----
Data collection and analysis	14	14	----
Engineering, evaluation, and demonstration	10	10	----
Total	1,820	2,145	325

PERSONNEL AND REORGANIZATION

Senator ROBERT C. BYRD. Your personnel summary shows a steady increase in the average GS grade and salary. What is causing this?

Dr. FALKIE. The increasing size and complexity of our research work, along with efforts to hold staff increases to a minimum, has made it necessary to add proportionately more professional and highly trained staff than lower grade supporting staff. Additionally, in fiscal year 1975 we budgeted for some needed promotions. We expect our average GS grade to fairly well stabilize in fiscal year 1976. Our average GS budgeted salary increases slightly less than 1 percent from fiscal year 1975 to fiscal year 1976. The GS budgeted salary increase from fiscal year 1974 to fiscal year 1975 was about 6.4 percent. The classified pay increase of October 1974 accounted for 5.5 percent, leaving an increase of less than 1 percent attributable to a slight rise in average grade.

Senator ROBERT C. BYRD. You recently reorganized your headquarters and field structure. What did this achieve in terms of efficiency and savings?

Dr. FALKIE. We did reorganize to provide focal points for meeting our responsibilities in two main areas—mineral and materials research and development, and mineral and materials supply/demand analysis. We think this gives us a most efficient organization for attacking all our current problems which generally involve either research needs or data needs or more often some combination of both. Quite frankly, Mr. Chairman, we are not forecasting any savings from the reorganization except as might be achieved through more effective and productive research and data collection and analysis programs.

Senator ROBERT C. BYRD. Did your reorganization involve any additional high-salaried positions, GS–16 and above?

Dr. FALKIE. We are upgrading the two key positions created in the reorganization to GS–18. The research side is headed by the Associate Director for Mineral and Materials Research and Development, who is Dr. Henrie, and the data side is headed by the Associate Director for Mineral and Materials Supply/Demand Analysis, who is Dr. Morgan. Both of them are here today to help present our budget request.

Senator ROBERT C. BYRD. I think that completes my questions on the Bureau of Mines budget detail. Thank you, Dr. Falkie. You have been a knowledgeable and cooperative witness.

Let's go now to the balance of the MESA budget items.

MESA BUDGET ESTIMATES

Mr. Day, for the Mining Enforcement and Safety Administration, you have proposed budget increases of about 15 percent and a rise in permanent positions of about 7 percent. They reflect the rapid expansion of the mine safety program under MESA. When do you anticipate that you will level off and reach full strength?

Mr. DAY. I think that depends a great deal on results, Senator. When we can take a look at the injuries or fatalities that exist in the mining industry and they are better than other industries, then I think maybe we can level off. But, frankly, we may be just getting started.

NEW POSITIONS

Senator ROBERT C. BYRD. You are requesting a total of 212 new positions. What is the current lag in filling existing positions?

Mr. DAY. I believe at the end of this last month we were 73 positions below our authorization, but by the end of the fiscal year we will be right on target. Last year in the metal and nonmetal inspection programs, for example, the additional 75 inspectors that we were authorized were funded for only 7 months so we had to space out our recruitment over the entire fiscal year. We have been for the last month or two obtaining coal mine inspectors. We had a difficult time for a while in November, December, and early January with the competition from the coal industry. The wage prices were really skyrocketing in the coal industry. Now that they have leveled off we are more competitive.

PENALTY ASSESSMENTS

Senator ROBERT C. BYRD. The committee has heard reports that checks in payment of assessed penalties for mine safety violations are not being cashed in a timely manner. What's behind that and where does the responsibility lie?

Mr. DAY. It is true that several months ago checks were not being processed as quickly as they should have been. At that time, most of the checks were mailed to the Office of the Solicitor. Before forwarding the checks to MESA's Office of Assessments, the attorneys attempted to match the checks with the pertinent case or cases. The checks were then sent to the Office of Assessments where further checking and comparing was made. Both of these processes caused delays, and upon recognizing this we changed our procedures. Now all of our checks are mailed directly to the Office of Assessments and within 48 hours are forwarded to our Finance Office in Denver, Colo., for deposit. We have since requested that the Treasury Department approve local Federal depositories in each of the cities where we now have assessment offices. This will enable us to shorten the time between receipt and deposit even more.

Senator ROBERT C. BYRD. What benefits do you anticipate will accrue from the proposed addition of 30 positions in the penalty assessment program?

Mr. DAY. This action allows mine operators the opportunity to discuss the assessed violation and to present evidence to support his views without having the case enter the formal administrative law system. These provisions allow the Department's legal and quasi-judicial offices to concentrate on those cases that cannot be immediately settled.

To date, 9,600 orders of assessment have been responded to by the operators. 1,400 were paid directly, and 7,600 requested a conference with MESA officials. Only 600 requested a hearing with the Office of Hearings and Appeals. More importantly, 7,100 of the assessment orders were settled at conference without entering the formal administrative law system.

Senator ROBERT C. BYRD. What are the total assessed and collected fines since MESA was established?

Mr. DAY. Penalty assessments through February 28, 1975, total $49.6 million; penalty assessment cases totaling $27.3 million have resulted in cash collections of $12.5 million leaving outstanding cases amounting to $22.2 million.

ACCIDENT PREVENTION

Senator ROBERT C. BYRD. Your justification for the $350,000 increase in coal mine accident prevention states you intend to expand inspections to mines employing 150 or more employees. How many additional mines will this involve?

Mr. DAY. As of the quarter ending December 31, 1974, there were 65 mines in this category with 27 of them having a disabling frequency rate above the national average.

STATE ASSISTANCE

Senator ROBERT C. BYRD. Your justification mentions that assistance was provided to several States under the coal mine safety program on an 80–20 percent matching basis. What was the amount of that assistance to each State?

Mr. DAY. There are currently 12 States receiving grant assistance totaling $1 million. If I may, I would like to supply them for the record along with their tentative fiscal year 1975 funding allocation.

[The information follows:]

STATE GRANTS

State:	*Funding allocation*
Alabama	$50,000
Colorado	14,462
Illinois	100,000
Indiana	35,358
Kentucky	286,781
Montana	75,000
Ohio	60,000
Oklahoma	34,170
Pennsylvania	78,000
Utah	15,000
Virginia	148,000
West Virginia	103,229
Total	1,000,000

Senator ROBERT C. BYRD. Where was such assistance specifically justified in your previous budget estimates, and how were the criteria for grants established?

Mr. DAY. Funding for grant assistance was first included in the coal mine health and safety budget in 1970; $1 million has been included under the activity coal mine health and safety inspections since fiscal year 1973.

The criteria for these grants are specifically spelled out under section 503 of the Federal Coal Mine Health and Safety Act of 1969. An Interagency Committee consisting of the Departments of Health, Education, and Welfare, Labor, and Interior allocate these limited resources to the requesting States.

METAL AND NONMETAL MINE HEALTH AND SAFETY

Senator ROBERT C. BYRD. What are the latest metal and nonmetal mine accident statistics, fatal and nonfatal, for calendar year 1974? How do they compare to the 2 previous years?

Mr. DAY. The latest preliminary metal and nonmetal mine accident statistics for the full calendar year 1974 show 157 fatalities and a nonfatal disabling injury-frequency rate of 18.74 (number of disabling injuries per million manhours of exposure). Comparative statistics for the 1972–74 period will be submitted. I would like to add that during the first quarter of 1975 only 20 fatalities occurred in the metal and nonmetal mines and mills. This was a 43-percent reduction from the 35 fatalities which occurred during the same period in 1974. Not a single fatality occurred this year during a 31-day period from February 26 to March 28.

[The information follows:]

	1974	1973	1972
Fatalities:			
Number	157	175	234
Frequency rate	0.36	0.40	0.57
Nonfatal disabling injuries:			
Number reported	8,884	8,397	9,555
Frequency rate	18.74	18.17	23.18

INSPECTION POSITIONS

Senator ROBERT C. BYRD. Turning to metal and nonmetal mines inspections, do you have all your authorized positions filled now?

Mr. DAY. Currently, we do not have all our authorized positions filled. However, with additional inspector applicants going through physical examinations or otherwise being processed and scheduled to come on board before June 30, we fully expect to have all our authorized positions filled by that time.

Senator ROBERT C. BYRD. With the requested increase of 88 positions in metal and nonmetal mines, what percentage of all mines will be inspected in fiscal year 1976?

Mr. DAY. When we have filled all 88 positions including 75 inspectors, requested for fiscal year 1976, we will have sufficient inspectors to conduct at least one inspection a year in about 90 percent of the approximately 14,000 surface metal and nonmetal mines and mills in the country. The roughly 700 underground metal and nonmetal mines are already being inspected on the average of about four times a year.

Senator ROBERT C. BYRD. What increase do you anticipate will be needed in fiscal year 1977 to extend inspections to all mines, as mentioned in your justification?

Mr. DAY. An increase of 75 inspectors and 15 support positions with an annual funding of about $2 million will be needed in fiscal year 1977 to extend inspections to all metal and nonmetal mines on at least once-a-year basis.

MINE SAFETY APPEAL BOARD

Senator ROBERT C. BYRD. We annually hold hearings on the Metal and Nonmetal Mine Safety Board of Review, but it has never received any appeals. Do you have any idea why this situation exists in view of your mine inspection expansion?

Mr. DAY. I believe that the answer to your question lies to a large extent in the technical background of our metal and nonmetal mine inspectors and the training they have received after joining MESA. Because of our relatively strict recruiting requirements and the subsequent training, these inspectors are highly qualified in recognizing serious hazardous conditions in the mines.

On many of the withdrawal or closure orders issued, which numbered nearly 1,900 in 1974, the operators have raised serious questions and given clear indications that they would appeal. Upon subsequent review by MESA management and discussion with the operators, a large percentage of these disputed orders have been sustained and the operators have decided against lodging formal appeals. On the other hand, some have been withdrawn by MESA upon a closer study of the

conditions involved. Thus, the technical competence of our metal and nonmetal mine inspectors and a rational approach adopted by MESA management have combined to eliminate formal appeals by the operators, except for a recent case filed by a gypsum producer in Michigan.

STATE INSPECTIONS

Senator ROBERT C. BYRD. I note in your justifications that seven States so far have signed agreements to take over much of the mine inspection burden. This will obviously cut MESA's costs. Do you expect many more States will sign agreements?

Mr. DAY. Actually, California terminated its State plan agreement in February this year, leaving only six States with State plan agreements. Because of the lack of Federal funding for States, we do not expect more States to sign these agreements. In any event, based on our experience, little reduction of MESA's costs actually occurs through State plan agreements. MESA must still: (1) Conduct sufficient inspection to evaluate the State agency performance, (2) provide technical assistance in solving special health and safety problems, (3) conduct accident investigations, (4) conduct health surveys, and (5) conduct and/or promote safety and health training for all segments of the industry. Also, in the short term, Federal enforcement personnel would be intimately involved in the training of State agency enforcement personnel.

TRAINING

Senator ROBERT C. BYRD. How much training, if any, is included in your metal and nonmetal mines inspection activity? At what cost?

Mr. DAY. All new metal and nonmetal mine inspectors receive an intensive 6-week training shortly after joining MESA. About 50 to 60 other inspectors are given a 4-week training on health inspection instruments and techniques each year. In addition, about 50 inspectors also receive a 1-week specialized training course on fire control, explosives and other subjects pertinent to their responsibilities.

We do not have a separate budget for training. However, the current cost of this training, excluding salaries, may be estimated as follows:

Training of new inspectors, $120,000; health training, $70,000; specialized training, $25,000. That will total $215,000.

PROGRAM ADMINISTRATION

Senator ROBERT C. BYRD. Your figures indicate a general program increase of less than 20 percent but show a 57-percent increase in program administration. Why do you need such a large increase for administration?

Mr. DAY. The 57-percent increase includes two items that ordinarily are not considered administrative costs. First, it includes $487,000 for employee compensation payments which cannot be identified with any program segment and is, therefore, included in program administration. Second, it includes $250,000 to study the effectiveness of mine health and safety programs which we have previously discussed. After deducting the increases for these two items, the net increase for general administration is $142,000 or 9.2 percent.

Senator ROBERT C. BYRD. How many new employees were appointed to program administration in fiscal year 1975? When were they authorized?

Mr. DAY. We have appointed 54 people since July 1. This includes 33 that transferred from the Bureau of Mines. Authorization of the administrative positions, as well as other positions, resulted from the establishment of MESA on May 7, 1973, by Secretarial Order No. 2953. Funds and positions were included in the 1975 congressional budget estimates which were approved in last year's Appropriation Act.

CHANGES IN FISCAL YEAR 1975 OBJECT CLASS

Senator ROBERT C. BYRD. There was considerable change in your object classification for 1975 from your original budget submission to the estimates provided this year for personnel benefits. A statement of explanation supplied at the staff's request will be included in the record at this point.

[The statement follows:]

EXPLANATION OF INCREASE SHOWN FOR FISCAL YEAR 1975 FOR OBJECT CLASSIFICATION 12 "PERSONNEL BENEFITS"

At the time we prepared the FY 1975 budget estimate, we were of the opinion that "Personnel Benefits" should equate to approximately 8.5 percent of personnel compensation. This was based on 6.9 percent for retirement, 0.8 percent for health and insurance benefits, 0.7 percent for employee moving costs and employee compensation payments, and 0.1 percent for all other.

When we prepared the FY 1976 budget, we noted that "Personnel Benefits" for FY 1974 (Actual) equated to 9.3 percent of personnel compensation. We then reevaluated our estimate and decided the FY 1975 (current year) estimate was too low. A further check indicated that we were underestimating the "Personnel Benefits" costs, particularly health insurance and moving expenses.

A summary of "Personnel Benefits" by category is shown below:

	Cost of benefits (dollars in thousands)	Percent to personnel compensation
Retirement contribution (including social security payments)	6,096	6.7
Health insurance (Blue Cross, etc)	1,309	1.4
Life insurance	82	0.1
Employee compensation payments	603	0.7
Miscellaneous (suggestions, overseas allowance, etc.)	130	0.1
Other benefits (primarily moving costs)	517	0.6
Total	8,737	9.6

The amounts and percentage shown above are for the Bureau of Mines, including MESA, because the records included both bureaus in 1974. The reconstructed accounting records for MESA show benefits as being about 9.3 percent of total personnel compensation and not 9.6 percent as shown for both agencies.

In conclusion, we failed to include enough funds in the FY 1975 estimate to cover "Personnel Benefit" costs. It should, also, be pointed out that these costs have been increasing rather rapidly in the past few years. For example, the average costs for all bureaus and offices of the Department were 8.82 percent in 1971 compared to 10.07 percent in 1974.

TRANSFER OF MESA PERSONNEL FUNDS

Senator ROBERT C. BYRD. I would like to touch briefly on a proposal received just last week from the Department. This proposal would, in

effect, transfer $900,000 requested for MESA pay costs to the Territorial Affairs budget. The amount is needed on an emergency basis in American Samoa, which is recovering from a severe drought. We can go into this further when we hear the second supplemental request for fiscal year 1975. What I wish to establish now is MESA's position on giving up $900,000. You talked about the hiring lags in the current year that left you with that amount in excess, I suppose.

Mr. DAY. Unfortunately, Senator, we had a tremendous hiring lag throughout the early part of the fiscal year. We just were not able to obtain the number of qualified employees—especially coal mine inspectors that we needed. Additionally, during the impetus of the coal splurge of last year we had an extremely high attrition rate. We lost a number of good inspectors and some of our higher level supervisory and management people. We did have a substantial savings in funds.

Senator ROBERT C. BYRD. Specifically, is the $900,000 supplemental request indeed surplus to your needs?

Mr. DAY. It is surplus as far as our personnel costs are concerned.

Senator ROBERT C. BYRD. Will the shift of that $900,000 in any way impair your ongoing program?

Mr. DAY. No; it will not.

QUESTIONS FOR THE RECORD

Senator ROBERT C. BYRD. May I say that Senators Stevens and McGee had to be absent on official business today. They prepared several questions which I will ask you to answer for the record.

Secretary CARLSON. We will be pleased to do so, sir.

Senator ROBERT C. BYRD. Dr. Carlson, I think we have had a fine hearing today and may I express appreciation to you and to Dr. Falkie and to Mr. Day for your testimony. If you will supply the answers to the questions and also the other information that was promised during the course of our questions and answers for the record, it will be appreciated.

Secretary CARLSON. We will be pleased to do so.

[The questions and answers follow:]

QUESTIONS SUBMITTED BY SENATOR STEVENS

Q. Last year, at my request, $600,000 was added to the Bureau of Mines and Geological Survey budgets for making an appraisal of the mineral potential of those lands in Alaska identified for withdrawal under the Interior Department's D-2 plan. The $600,000 was divided equally between the two agencies. Could you explain how and for what purposes these funds were expended?

A. We will make good use of the $300,000 that Congress added to our FY 1975 budget. By May 1, 1975, we expect to sign a contract with an experienced Alaska exploration company to evaluate the mineral potential of 19.2 million acres in four D-2 withdrawal areas in and adjacent to the Brooks Range. Because the add-on funds were not available until after the 1975 field season, obligating the money in this manner will permit an 18-month evaluation period spanning the 1976-77 field seasons.

Q. What major program accomplishments can be expected to be made as a result of the $300,000 appropriation?

A. The contract study will compile and analyze all available published and unpublished mineral resource information in the 19.2-million-acre Brooks Range area. An important phase of the study is the gathering of exploration data from various company files that, tied together with adequate field work to fill the gaps, should produce a report that will develop the best overall picture of mineral potential in this area to date. This study, however, is realistically but the first step in a total evaluation of the mineral potential of this vast area.

Q. The Bureau has estimated that potential mineral values in 21 of the originial D-2 selections to be $12 billion with a multiplier effect of over $30 billion to Federal and State economies. Based on this conservative geostatistical estimate and the increasing U.S. demand for vital minerals, would the Bureau agree that it is imperative to

properly inventory the mineral potential of the lands that face possible classification by the Congress into management systems that totally prohibit or severely limit entry for the purpose of mineral development?

A. We believe that it should be of national concern that Congress have the best mineral resource information available before it acts to classify large tracts of potentially mineral-rich land into management systems that totally prohibit or severely limit future mineral search and development. Other than for gold, Alaska's mineral potential is relatively unexplored. We further believe that many of the proposed D-2 withdrawals contain a complex mix of potentially significant mineral deposits. We therefore agree that adequate definition of mineral potential in these lands is essential to the decision process of classification.

Q. Does the Department have any programs by which these objectives can be accomplished?

A. The Bureau of Mines has made every effort to inform and advise the Federal-State Land Use Planning Commission of presently known mineral potential of lands being proposed for withdrawal in Alaska. We have not initiated field work in any of the D-2 areas since the Secretary transmitted his proposals to Congress in December 1973.

The Geological Survey presently has underway its Alaska Mineral Resource Assessment Program (AMRAP) with the objective of assessing the State's mineral potential as rapidly as possible commensurate with available manpower and funds. The Bureau of Mines believes it could provide an important input to this long-range study but funds and personnel are not available for this work in FY 1976.

Q. By 1978, large portions of these D-2 lands will be dedicated in perpetuity to uses incompatible with mineral development. Sound land

use planning demands that these lands be fully evaluated prior to such a commitment. Does the Department's mineral evaluation timeframe take this into consideration?

A. The Bureau of Mines and Geological Survey will continue to provide new information on the mineral potential of withdrawal lands as it is obtained. However, there is no concerted effort within Interior to complete detailed mineral evaluations of the D-2 lands before 1978 except for the Bureau's contracted study in the Brooks Range area and the Geological Survey's AMRAP program that through FY 1977 will cover parts of some D-2 lands.

Q. Why are no funds included in the Administration's budget estimate for continuation of the D-2 lands mineral surveys?

A. As a bureau within Interior, we viewed the Secretary's D-2 recommendations as complying with his responsibilities under ANCSA and that a request for funds to evaluate the mineral potential of lands proposed for withdrawal would not be consistent with his position.

QUESTIONS SUBMITTED BY SENATOR McGEE

ROCK SPRINGS SUBSIDENCE

Question. What funds have been earmarked for the Rock Springs Subsidence Project? According to my figures there is no line item for this project. Why do you not earmark funds to complete this, and what amount would be necessary to continue this during fiscal year 1976?

Answer. Because of budget constraints, this project among others, was not included in our 1976 request. In order to complete the job, approximately 100 acres have to be backfilled. The estimated cost to complete this project is $1.5 million.

COAL PRODUCTION IN WYOMING

Question. As you know, the extraction of strip mined coal is a major concern in Wyoming. What is the estimated tonnage per year that would be removed from these mines? How long will these mines be in operation, and how many persons would be employed in this effort?

Answer. The sharp upturn in coal production in Wyoming began in 1969. From that year production tripled from 4.6 million tons annually to 13.6 million tons in 1973. In 1974, Wyoming produced 21.1 million tons of coal. Coal production is expected to reach 26 million tons by the end of 1975. Most of Wyoming's new mining activity and its announced gasification plants will occur in the Powder River Basin in the northeastern part of the state. The annual increase in output, according to the Bureau of Mines, is expected to continue at least until the year 2000. Although annual electric utility demand will probably begin to decline during the first quarter of the next century, the demands of coal conversion plants will likely increase enough to offset the loss of tonnage to power plants. The forecast of production and an estimate of the number of miners that will be required are:

Year	Production (millions of tons)	Employment (production workers)
1974 (actual)	21	1,085
1975	26	1,350
1980	50	2,580
1985	76	3,925
1990	93	4,800
2000	140	7,250

Question. Following this same line of questioning, do you have any data regarding how this coal will be transported or converted into energy? Please supply specific data.

Answer. In 1974, 7.1 million tons of coal in Wyoming were shipped short distances by truck or conveyor belt to mine-mouth power stations and 14.0 million tons were shipped by rail to customers located in 19 states in northwestern, midwestern, and eastern states. By 1980, Wyoming will be shipping coal to additional states such as Arkansas, Nebraska, Oklahoma, Texas, and Louisiana. This will mean at least 20 additional unit-train schedules. By 1980, it is predicted that Wyoming will have at least two coal gasification plants on line. Shipments of coal from Wyoming and the amount converted into energy are estimated.

Year	Mine-Mouth Plants	Rail	Pipeline	Coal Gasification
	(millions of tons)			
1974 (actual)	7.1	14.0	--	--
1980	12.0	33.0	--	5.0
1990	20.0	44.0	4.0	25.0
2000	40.0	42.0	8.0	50.0

PROGRAM COORDINATION

Question. Mr. Carlson, in your prepared statement you urge that mineral research and development not be fragmented. Yet it appears to me that this may indeed occur since there appears to be little communication and coordination between the agencies responsible for energy. What has the Bureau of Mines and MESA been doing to assure that there is no slippage in program coordination?

Answer. The roles of the Bureau of Mines and MESA are separate but complementary. The Bureau has the responsibility for the planning and implementation of the research function with respect to Mining Health and Safety and Technology.

MESA, through its daily interaction in the mines, obtains insights which are beneficial to the planning of this program through identification of critical research needs. This input which MESA provides is integrated

during the planning period and continuously during the implementation using procedures developed by these two agencies. We continuously review these procedures to assure that they are efficient and effective.

PROGRAMS IN WYOMING

Question. I have learned that the Bureau of Mines budgetary request for Wyoming programs is only $47,000. This is quite a cut from the sum of $500,000 requested in fiscal year 1975. Would you please supply a complete justification for this lower figure.

Answer. The $500,000 available to the Bureau of Mines for 1975 was a specific Congressional Add-on for continuation of the Rock Springs, Wyoming Subsidence Demonstration project. Congressional Add-ons for one fiscal year do not become part of the Bureau appropriation base for the next fiscal year. The $47,000 requested in the fiscal year 1976 budget for Wyoming is the cost for our State Liaison Office, which is a continuing program.

Question. In this regard, why, given the extensive energy development and extraction operations programmed for Wyoming in the near future, has so little been programmed for my state? In other words, why has this budgetary figure been cut rather than increased?

Answer. As explained above, the $500,000 represents the Rock Springs Subsidence Project which is not continued in fiscal year 1976, and the $47,000 represents the continuing cost of the Wyoming State Liaison Office. We have no Research and Development projects actually underway in Wyoming at the moment. However, we have been negotiating with several of the major companies in the state to undertake some cost-sharing projects on reclamation of surface mined lands. Also, we are in the process of soliciting cost-

sharing proposals from the mining industry to demonstrate underground mining methods for the thick and multiple seam coal beds found throughout the West. We would be delighted to consider proposals from Wyoming. In addition, much of our work in other parts of the country is applicable to Wyoming deposits.

SUBCOMMITTEE RECESS

Senator BYRD. Thank you, gentlemen. The subcommittee will stand recessed subject to the call of the Chair.

[Whereupon, at 1 p.m., Thursday, April 3, the subcommittee was recessed, to reconvene at the call of the Chair.]

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1976

WEDNESDAY, APRIL 9, 1975

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

The subcommittee met at 10 a.m., in room 1114, Everett McKinley Dirksen Office Building, Hon. Joseph M. Montoya presiding.

Present: Senators Montoya, Young, and Stevens.

DEPARTMENT OF THE INTERIOR

BUREAU OF INDIAN AFFAIRS

STATEMENT OF MORRIS THOMPSON, COMMISSIONER OF INDIAN AFFAIRS

ACCOMPANIED BY:

HARLEY FRANKEL, DEPUTY COMMISSIONER OF INDIAN AFFAIRS
GEORGE M. ABBOTT, GENERAL ENGINEER
DR. WILLIAM BENHAM, ADMINISTRATOR, INDIAN EDUCATION RESOURCES
RAYMOND V. BUTLER, CHIEF, DIVISION OF SOCIAL SERVICES
JOHN CARMODY, CHIEF, DIVISION OF SCHOOL FACILITIES
SHIRLEY CROSBY, PROGRAM BUDGET COORDINATOR, TRUST RESPONSIBILITIES
ROBERT DUDLEY, CHIEF, DIVISION OF FACILITIES ENGINEERING
ROBERT W. FLEAK, CHIEF, DIVISION OF TRANSPORTATION
JOHN D. GEARY, PROGRAM BUDGET COORDINATOR, INDIAN SERVICES
JOHN JOLLIE, CHIEF, DIVISION OF JOB PLACEMENT AND TRAINING
THEODORE C. KRENZKE, DIRECTOR, OFFICE OF INDIAN SERVICES
EDWARD G. MARICH, PROGRAM BUDGET COORDINATOR, INDIAN EDUCATION PROGRAMS
DANIEL D. McDONALD, DIRECTOR, OFFICE OF TRIBAL RESOURCES DEVELOPMENT
GLEN D. McLAREN, CHIEF, DIVISION OF PROGRAM DEVELOPMENT AND IMPLEMENTATION
BOB SELVEY, CHIEF, DIVISION OF FINANCIAL ASSISTANCE

MARTIN E. SENECA, JR., DIRECTOR, OFFICE OF TRUST RESPONSIBILITIES
DR. CLENNON E. SOCKEY, DIRECTOR, OFFICE OF INDIAN EDUCATION PROGRAMS
JOHN P. SYKES, ASSISTANT DIRECTOR, FINANCIAL MANAGEMENT
JOSE A. ZUNI, DIRECTOR, OFFICE OF ADMINISTRATION
FRANCIS M. WILES, DIRECTOR OF BUDGET, DEPARTMENT OF THE INTERIOR

BUDGET REQUEST

Senator MONTOYA. The subcommittee will come to order.

This is the time set for hearing the fiscal 1976 budget estimates of the Bureau of Indian Affairs. They total $724.5 million, including some $34.2 million in annual trust funds. This is $42.4 million over appropriations to date.

There is also a request for $66.7 million in appropriations to liquidate contract authority, and this is up $7.2 million. For the July–September fiscal year transition period, the request is for $235.7 million in new budget authority and $28 million in appropriations to liquidate contract authority.

The budget justifications have been included in part 1 of the record [pp. 713–837].

PREPARED STATEMENT

Senator MONTOYA. Commissioner Thompson, please introduce just those with you at the witness table. Any others from the Bureau who testify can identify themselves for the record. It would probably be best if you summarize your statement. I will, without objection from any of the members of the committee, include your statement in full in the record.

[The statement follows:]

Mister Chairman:

It is with pleasure that I appear before this Committee to discuss with you the fiscal year 1976 budget requirements for the Bureau of Indian Affairs. You have always shown deep concern for the native American people by providing effective guidance and strong support to their cause.

I am happy to report that for the first time in a number of years the Bureau's key personnel are all appointed and doing an outstanding job of shaping BIA policy and developing an organization able to cope with pressing needs and changing requirements of the Indian communities. The realignment of the Central Office has been completed and I feel we have an effective and efficient operating staff.

In the preparation of the 1976 budget the involvement and participation of Indians at the local level have been stressed. Priorities were determined on an agency-by-agency basis by means of a priority analysis system.

We have honored the priorities of the Indians in developing the budget and we are committed to distributing the funds to the local level based upon these same priorities. I feel that participation in the budgeting process by tribal leaders is one of the most important phases of self-determination.

INDIAN INVOLVEMENT

For the first time we are fully responding to the Indian Reorganization Act of 1934 (Public Law 73-383) as it pertains to informing Indian communities on budget matters. This law requires that the tribes be given the opportunity to review and comment on the budget as it proceeds through its respective steps in the cycle. We have made this effort for the 1976 budget and we have just distributed to the field the breakdown by location of the President's Budget for FY 1976. The tribes will be informed as to the separate House and Senate reports on appropriations. Upon the enactment of the 1976 Appropriations Act, an adjusted breakdown by locations will be disseminated.

A major breakthrough for the Indian has been the enactment of the Indian Self-Determination and Educational Assistance Act, (P. L. 93-638). This legislation recognizes the obligation of the United States to meet the desires of the Indians for self-determination and provides the legal basis by which the operation of many Federal Indian programs can be transferred to Indians. Regulations for implementing this historical piece of legislation are being formulated.

The involvement of Indians in the budget process plus the implementation of the Indian Self-Determination and Education Assistance Act can only point and lead to a fuller and more satisfying life for all of the American Indians. For this I am extremely grateful and deeply appreciative.

We are requesting in FY 1976 appropriations in the amount of $757 million; a net increase of $28.6 million over FY 1975. However, the gross increase in programs approximates $55 million. The difference of $26 million occurs in the Revolving Fund for Loans--$38 million in FY 1975 and $12 million in FY 1976 which will provide the total authorization of $50 million.

INDIAN EDUCATION

The Bureau will put forth its best efforts to continue and improve programs of Indian Education. In fiscal year 1976 we will have over 53,000 Indian youths attending Bureau schools and approximately 113,000 will be enrolled in public schools. Through the Johnson-O'Malley program we are able to provide funds needed for special projects and special training for our Indian children in public schools. A few of these requirements are special English language teachers, bicultural classes, kindergarten, and school-home coordinators.

I am encouraged in that the young people of the Indian communities are showing increasing interest in their college education. During fiscal year 1976, scholarship grants will be provided to approximately 17,000 young Indian men and women.

In FY 1976 about 15,000 Indian adults will be provided adult education services while another approximately 5,500 will be assisted through adult vocational training activities throughout the United States.

INDIAN SERVICES

Our major emphasis of the Indian Services program in fiscal year 1976 will be on expanded law enforcement services as well as meeting social services needs. We are requesting $13.6 million for law enforcement which will enable the Bureau to provide services at various locations where jurisdiction has been retroceded by the State. Other improvements will be made in the detention, training, and inspection programs.

The proposal of $66.2 million for fiscal year 1976 for social services represents an increase of $2.2 million over fiscal year 1975. This increase is necessitated by increased unit costs in general assistance child welfare. The general assistance caseload is estimated at over 68,000 per month and child welfare to be over 3,000 per month.

The Bureau Housing Program for FY 1976 will provide for approximately 400 new houses and more than 2,250 renovations. The bulk of new home construction on reservations is the responsibility of the Department of Housing and Urban Development. We will continue, however, to provide assistance to tribes in developing their housing programs.

TRIBAL RESOURCES DEVELOPMENT

Under the Tribal Resources Development programs our primary efforts will be directed to coordinated manpower development programs through a career development approach that ties job placement directly to training. Our latest estimates on the employment status of Indians

in the service population of our Bureau is that approximately 23 percent of the labor force are unemployed. These data are several months old now and the unemployment rate may have increased with the general economic slowdown. The per capita income is estimated to be approximately $1,450. Indian communities are not immune from the economic problems facing the Nation. The impact is felt sharply on the reservations.

Our forestry and agriculture programs will be used to further strengthen conservation, development, and utilization efforts on the Indian lands. In fiscal year 1976 we will provide needed maintenance on the network of 21,500 miles of roads serving the Indian reservations.

An expanded program for Indian Action Teams will provide for 50 contracts involving more than 3,000 Indians in training and work experience programs that normally result in the construction of on-reservation facilities for community improvement. The Indian Action Teams attempt to alleviate the limited availability of trained and skilled personnel in Indian communities which continues to hamper the organization, ownership, management and operation of commercial enterprises by Indians.

TRUST RESPONSIBILITIES AND SERVICES

Fulfilling the Government's trust responsibilities in fiscal year 1976 requires funds in the amount of $20.9 million or an increase of $2.3 million over fiscal year 1975. Primary emphasis will be directed to protecting Indian rights in water and other property, and in strengthening real estate and financial management services.

An increase of $1.1 million for water, hunting and fishing, and other rights protection work will provide for initiating 35 additional water studies, for completing 5 water use plans now underway, and for filing or appealing additional litigation cases. In addition, programs will also be strengthened to assure that environmental quality standards are being maintained.

A $1.2 million increase for trust services will provide urgent backlogged land appraisals, lease and management services, increasing the number of appraisals by 500, and land conveyance, rights-of-way, and other lease services by over 4,000. In addition, trust fund management and accounting services will be strengthened for the estimated $534.5 million in Indian monies invested as of January 31, 1975, and for tribal and individual Indian accounts being serviced.

INDIAN FINANCING ACT

The Indian Financing Act of 1974 has been enthusiastically received. Current projections based on field reported data indicate that loan requests will exceed the resources of the Indian Revolving Loan Fund. The Act of 1974 authorized an additional $50 million for the Revolving Loan Fund of which $38 million was appropriated in 1975. We are requesting the remaining $12 million in our FY 1976 budget.

The Indian Business Development Program has been underway since about January 1, 1975. It appears that requests for grants under the Program will exceed the $10 million which was appropriated. Our budget request includes $10 million for fiscal year 1976 for the second year of the authorization. The Loan Guarantee and Insurance Program, which is also part of the Indian Financing Act, is getting underway and early expressions of interest indicate the authorized level may be quickly attained. The Bureau's 1976 budget provides for full funding at the authorized level of $20 million.

CONSTRUCTION

We are requesting $31.0 million in fiscal year 1976 for the construction of buildings and utilities, which is primarily for the construction of schools and major alterations to existing Bureau facilities. A proposed estimate of $30.4 million for irrigation construction will provide a program of $22.8 million for the Navajo Indian irrigation project located in New Mexico. An item of real significance here is that the first water will be delivered to the Navajo project for farming in the Spring of 1976. The agriculture production from these irrigated lands is viewed as the basis for greatly expanded job and income opportunities.

In our Road Construction program we will obligate $66.7 million in fiscal year 1976 for reservation roads and bridges. This is toward meeting the necessary objectives of improving to current standards all arterial roads and community streets and at least one-half of the local roads.

Finally, I would like to mention that at the request of the tribes we have included funds for overhead costs of the tribes associated with their operating programs under contract with the Bureau. We have estimated there will be $11.2 million required to carry on this activity in FY 1976.

Thank you Mr. Chairman and members of the Committee for your continuing personal interest in the American Indian.

INTRODUCTION OF ASSOCIATES

Commissioner THOMPSON. Thank you, Mr. Chairman. On my far left is Dr. Sockey, Director of Indian Education. On my left is the Deputy Commissioner, Mr. Frankel. On the far right we have Tribal Resources Director, Daniel McDonald. On his left, the Director of Indian Services, Ted Krenzke. On my immediate right, the Director of Trust Responsibilities, Martin Seneca.

In conformance with the Chairman's wishes I will summarize my statement. It is my pleasure, of course, to be here with the committee to discuss the 1976 budget of our Bureau. We think that the appropriated budget will reflect the real needs of the Indian communities. We are pleased to say this year that we have done extended work with Indian communities on an agency-by-agency basis to develop the budget to reflect as much as possible local priority needs of the Indian community.

NEW LEGISLATION

This year, again with some great assistance from Congress, we have got seven new acts to implement that we are looking forward to as part of the President's program to foster Indian self-determination. Public Law 638, which is the Self-Determination and Indian Education Act, one that was recently enacted by Congress, we think will go a long way toward turning control of some of our Bureau's programs over to tribal control and tribal delivery.

INDIAN FINANCING ACT

The second act that we are pleased to be working with is the Indian Financing Act. That was enacted, again by the last Congress, to hopefully meet and resolve some of the Indian economic problems as they exist on Indian Reservations. It is a three-part act which we hope will generate approximately $200 million of economic activity on Indian Reservations.

Senator MONTOYA. Let me ask you about this. How much money has been realized by way of lending to Indian tribes, say, in the last year?

Commissioner THOMPSON. The act is new, Senator. We have three specific provisions in it: a $50 million revolving loan fund, a $20 million interest subsidy and loan guarantee fund, and a $10 million grant fund. To date, for example, under the revolving loan fund we have allotments approved totaling 30, for $2,978,850. We have some allotments in process totaling $1,200,000. New loans approved, three new loans totaling $2,550,000. We have outstanding loans in process of $5,820,000. Total loans outstanding, $30,377,850.

Senator MONTOYA. What is the interest on these loans?

Commissioner THOMPSON. We follow the current Federal rate, what ever that is.

Senator MONTOYA. What is the repayment?

Commissioner THOMPSON. Our repayment schedule is probably one of the better ones among the Federal lending agencies in that we have a default ratio of less than 4 percent on loans outstanding.

Senator MONTOYA. Do you make these loans on the basis of repayment ability? Is that one of the criteria?

Commissioner THOMPSON. That definitely is one of the criteria and we followed a policy of trying to make loans only to—not only

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primarily to tribal organizations to strengthen their tribal government—we have individual loans as well.

REVOLVING LOAN FUND

Senator MONTOYA. This year you are asking for the $12 million remaining appropriation authorized for the Indian revolving loan fund. Your figures indicate an uncommitted balance of nearly $12 million last October. What is that balance now?

Commissioner THOMPSON. As of March 31, 1975, the uncommitted balance of the revolving loan fund was $8.5 million. Commitments totaled $30 million and included approved unallotted commitments and other applications authorized to be submitted. In addition to these commitments, we have six new loans in process totaling $4.8 million. The activity in the revolving loan funds is increasing since the new funds are available. More loan funds have been advanced already this fiscal year than during all of last fiscal year.

We expect the activity in the revolving loan fund to increase substantially the remainder of this fiscal year and the next fiscal year.

Senator MONTOYA. What has been the experiences to date with this loan fund?

Commissioner THOMPSON. Our experience with the revolving loan fund has been very good. During the history of the program, the Bureau has made loans totaling $78.3 through the revolving feature of the fund. This is an extremely good record considering that prior to fiscal year 1975, there was only $21 million available for lending. Of this total amount loaned, losses have amounted to only $2.8 million or a little over 3 percent of the total loaned. As of March 31, 1975, outstanding loans totaled $29.1 million.

LOAN GUARANTEE

Senator MONTOYA. Please explain why you show such large unobligated balances for the loan guaranty and insurance fund, for which you are requesting another $20 million appropriation.

Commissioner THOMPSON. The majority of funds appropriated for the loan guaranty and insurance fund will be held as reserves to support outstanding guaranteed and insured loans. These reserves are for losses on defaulted loans and to pay interest subsidies authorized by the Indian Financing Act. Therefore, we will generally have large unobligated balances in the fund. Since we will need to have reserve funds to honor our guaranteed and insured loans which default and to pay the interest subsidies authorized by the act, it is extremely important to have appropriated the additional $20 million authorized for fiscal year 1976 by the Indian Financing Act.

BUSINESS DEVELOPMENT FUND

Senator MONTOYA. $10 million was appropirated last year and is requested again this year for grants from the business development fund. How much of the 1975 appropriation has been obligated?

Commissioner THOMPSON. The Indian business development program is becoming very active. Of the $10 million available $8 million

was allotted to our area offices with the remaining $2 million to be allotted very soon based on needs of each area. I will submit information from our field offices on the activity in this program as of February 28, 1975. Based on inquiries from the area offices the demand for grants will exceed the $10 million available. Although only $514,000 was actually approved as of February 28, many of the applications on hand will be approved. We are reasonably sure that the full $10 million will be obligated in fiscal year 1975.

[The information follows:]

	Number	Amount
Applications	338	$7,580,000
Applications approved	36	514,000
Applications disapproved	10	175,600
Applications pending	290	6,890,400

Senator MONTOYA. What Indian business development has this grant fund stimulated?

Commissioner THOMPSON. A few examples of the types of Indian businesses receiving grants are a camouflage net factory, beauty and barber shops, television repair shop, logging business, riding stable, pottery manufacturing, and a boat motor and engine repair. Based on information from our field offices, $1,208,000 of financing from outside the Bureau has been generated by the grants made thus far. Further, an estimated 236 jobs have generated or sustained the first year with an expected increase to 316 jobs in the second year. We believe the grant program will be very beneficial in promoting Indian business development on reservations.

HIGHER EDUCATION SCHOLARSHIP GRANTS

Senator MONTOYA. You may proceed.

Commissioner THOMPSON. We look forward to carrying on our programs in education, providing scholarship assistance to many more Indian youngsters attending school, providing financial assistance to State governments through the Johnson-O'Malley——

Senator MONTOYA. You are talking about college scholarships; aren't you?

Commissioner THOMPSON. That's correct.

Senator MONTOYA. Why is it that you people never make an adequate budget request for scholarships and you have to come in for a very reduced supplemental request which does not even satisfy the needs; and then we, in the Appropriations Committee, have to supplement this on our own motion?

Commissioner THOMPSON. There are several reasons to explain this. There has been an increasing number of Indian youngsters attending colleges over the last couple of years. The program, as you know, has grown by leaps and bounds. Each fiscal year we attempt to try to define the universal need and consistently have fallen somewhat short because of the number of students either entering college or students who have previously dropped out returning to college. The numbers are now 17,000. Four or 5 years ago they were only about 4,000; so, again, it is a very positive thing happening in the Indian

community, and we are very pleased that the Congress has been positive with us.

Senator MONTOYA. Every year we have had to increase the appropriation for Indian scholarships. I was wondering why you people had not made an adequate budget request.

Commissioner THOMPSON. One, we have lots of students that have dropped out that are returning. Second, a lot of Indian youngsters are going on to more graduate school programs that are difficult to determine at the beginning of the year.

The third statement we would probably want to highlight is that we are continuing to provide education through our normal Bureau programs, as I indicated, working with Johnson-O'Malley and some of the regular program activities that we operate.

LAW ENFORCEMENT

One of the main emphasis that we have in the upcoming year through Indian services is that of trying to upgrade the judicial system, both the tribal courts, the tribal policemen and our work with the other Federal agencies in the upcoming year. Trying to improve and strengthen law enforcement activities in the Indian reservations is another commitment we have in the upcoming year.

We just recently completed a study of law enforcement activities on Indian reservation that point out some terrific needs that we are hopeful of meeting.

In tribal resources, as I indicated earlier, the major effort we have going on there is the implementation of the Indian Financing Act.

TRUST RESPONSIBILITY

In our trust services division or the operation that carries out the trust responsibility functions on behalf of the United States with the Indian communities, we are doing an additional amount of work in the inventory process of our resources that exist on Indian lands, doing our continuing efforts to determine what it is that the Indians own as far as water, and doing our level best to keep up with this heavy workload.

NAVAJO IRRIGATION PROJECT

Additionally, of course, the Navajo irrigation project comes under this activity. We are very pleased to report that we are going to have water for farming in fiscal year 1976. We hope to relieve some major policy differences within the administration and have agreed to provide assistance to the tribe for development costs, which again is a major policy breakthrough, something that is not normally done in reclamation projects. We have secured that for the Navajo irrigation project and are pleased to announce that.

I believe that summarizes our statement fairly well. I will be pleased to answer any questions that the committee may have.

INDIAN INVOLVEMENT

Senator MONTOYA. You mention at the beginning of your statement that Indian involvement has been encouraged in developing this budget. Is this the so-called band analysis system?

Commissioner THOMPSON. That's correct, Mr. Chairman.

Senator MONTOYA. To what extent have you followed the budget priorities established by Indians, and what overall effect did those priorities have in changing your program emphasis?

Commissioner THOMPSON. I think we have done—the effort, if I may give a little background to our effort here—we are now in our fourth budget year of attempting to gain tribal priorities through the budget process. In this fiscal year we have gone out to each agency and asked each agency and area office to hold a series of public meetings with tribal officials from that particular agency to try to get budget priorities from them. We have broken out several columns, one to show how they will recognize priorities, if they have a 10 percent increase, a 20 percent increase, or a 5 percent decrease in the budget activity over the previous year. Then we have another column to show the total need, the universe of need as Indian communities see it from a budget point of view.

Based on those discussions we have developed a budget mechanism that will allow that tribal organization to track their budget process all the way up and through the system, including what happens at the central office, what happens at OMB, what happens at Congress, and report those activities back to the tribe so that it has not only become an involvement process with them, but we have also developed a tracking system with them so they can really see what impact their input has on the budget system. So we see it as a very positive input to the total budget makeup.

FACILITIES MANAGEMENT

Senator MONTOYA. On page 53 of the budget justification, on line 5–C, how was the estimate of $59,481,000 determined?

Commissioner THOMPSON. That is page 53——

Senator MONTOYA. The total amount. That is under "Facilities Management." That is subparagraph C, up on the top.

Commissioner THOMPSON. Yes; I have it, Senator. That, I believe, covers GSA rentals, provides for increased costs in labor and material, fuel, utilities, and services. I believe it is pretty much a straight line projection of actual expenditures to cover added fuel costs.

Senator MONTOYA. What about maintenance, though?

Commissioner THOMPSON. That is also included, Senator.

Senator MONTOYA. Is that enough?

Commissioner THOMPSON. We feel that that amount will cover the total costs, plus, we are going through an energy conservation program to try to reduce the amount of fuel that we are consuming.

Senator MONTOYA. You will not come in for an additional supplemental, then?

Commissioner THOMPSON. At this time it doesn't appear that we will, but Senator, I must——

Senator MONTOYA. You are giving me an international foreign policy statement.

Commissioner THOMPSON. If I may, I will finish it. At this time we are doing two things to try to reduce our fuel consumption, one, go through an active energy conservation program to reduce the amount of fuel that we utilize. But the Bureau of Indian Affairs is somewhat unique in that we operate a lot of facilities on a 7-day

week, 24-hours a day basis, such as our dormitories and boarding schools. We have incurred increased costs up to 200 percent on some of our facilities. We feel, with an energy conservation program, that we will make it. That is a projection, Senator.

Senator MONTOYA. My great concern in asking this question is this: that if you are not going to have enough money for maintenance and upkeep of the buildings, then they are going to deteriorate and it is going to cost more money later on to repair them. Are you taking that into consideration? And are you foreclosing that possibility?

Commissioner THOMPSON. No, of course, we are not foreclosing that possibility. But the $59 million takes into account what we feel is an adequate maintenance program. We are also absorbing some of the increased utility costs. We feel that we will continue with an adequate maintenance program to keep the facilities in operation.

Senator MONTOYA. What information did the Indian tribes have in trying to provide their own input into the final decision with respect to this budget item?

Commissioner THOMPSON. At each agency they have a complete breakout of the agency budget showing by line item and by program activity the amount of money allocated for education or for the programs in that particular agency as well as a projection—excuse me, a factual statement of the expenditures made in the last fiscal year for each of the program activities.

CONTRACT SCHOOLS

Senator MONTOYA. In last year's report on the Interior Appropriation, we said this, and I quote: "The committee strongly supports the efforts of those Indian schools which aspire to control their own educational programs through contracting. In anticipation of the enactment of the proposed Indian Self-determination and Educational Reform Act of 1974, the committee directs the BIA to be prepared to include in the fiscal year 1976 budget submission the construction and operational needs of contract schools and to begin at once to bring the contractors into the budget process."

As you know, S. 1017 did pass the House, was signed and is now Public Law 93–638. That being so, are you prepared today to indicate two things: first, the operational and construction needs of the contract schools; and second, what priority you assign those needs relative to the operational and construction needs of all other BIA operated schools?

Commissioner THOMPSON. If I may, Mr. Chairman, I will defer on that question to Dr. Sockey, the Director of Indian Education.

Senator MONTOYA. Certainly.

Dr. SOCKEY. We currently have 15 schools under contract where the tribes are assuming responsibility for their operation. The plan for implementing Public Law 93–638 is currently in the process of being developed. This plan is being developed under the direction of a task force. The regulations and all other matters involved for implementation of it are being carried out according to mandated deadlines. We expect to have the plan ready by the October 1 deadline this fall. At

this time there are a number of different factors involved that must be developed and pulled together in order to implement this law. Some of these matters being in the planning stages are not ready to be announced as being concrete on just what we will do.

Senator MONTOYA. How many do you have in the so-called pipeline by way of application? How many of these schools in this category?

Dr. SOCKEY. Currently, I think tying in with this, Mr. Chairman, is the fact that we have a Presidential objective which calls for at least 50 bureau schools to make a decision as to the type of management that they will operate under during the coming year.

Senator MONTOYA. Who will make that decision?

Dr. SOCKEY. The Indian population. The tribal councils will be responsible.

Senator MONTOYA. How many of those are already decided?

Dr. SOCKEY. We currently have five decisions on record. We are moving into the time when the decisions should be forthcoming very rapidly, because presentations of the management systems have been offered to the Indian people and during the latter part of April, the month of May and the month of June we should be rounding out the decisions as to the type of management system that the schools will operate under.

Senator MONTOYA. With respect to the five which are already decided, what kind of time are you thinking about as far as the decision being made? When was it made?

Dr. SOCKEY. In each of those cases?

Senator MONTOYA. Yes, more or less, within that time frame?

Dr. SOCKEY. I don't recall the exact dates, but I believe it was toward the latter part of the calendar year 1974.

PUBLIC LAW 93-638 IMPLEMENTATION SCHEDULE

Senator MONTOYA. What are you doing by way of implementing that particular decision within the framework of this particular law, Public Law 93-638?

Dr. SOCKEY. This particular law is not in effect as far as those given schools are concerned at this time. We won't go under its operation, of course, until——

Senator MONTOYA. That is because of the study that is required, is that it?

Dr. SOCKEY. That would be part of it, yes.

Senator MONTOYA. How fast do you intend to move on these decisions after they are made pursuant to this law?

Dr. SOCKEY. First of all, of the schools that are making their decisions, I believe we have one that has decided to remain as a public school, and we have three that have chosen to go under contract. Those schools will be operating during the coming year.

RAMAH SCHOOL

Senator MONTOYA. How is the Ramah Navajo School doing?

Dr. SOCKEY. We think it is doing satisfactorily. The construction portion of it, the elementary school construction, is underway. We anticipate having it open in September of 1975.

Senator MONTOYA. Are you monitoring the kind of instruction that they are providing for the children?

Dr. SOCKEY. Yes, sir, it is being monitored.

Senator MONTOYA. It is satisfactory?

Dr. SOCKEY. Yes, it is.

Senator MONTOYA. Would you continue to monitor the quality of instruction that these children will receive under these contract schools?

Commissioner THOMPSON. Senator, the obvious answer to that is "Yes." It is my understanding that Ramah is being evaluated by a private contractor under contract to the Bureau of Indian Affairs, so we will have the normal contract sign-off and agree to certain stipulations on behalf of the contractor and will have to accept it as a Federal school. So all of those provisions, even if it is contracted out, will be applicable.

Senator MONTOYA. The point I am trying to make is this: that naturally we want the Indians to run those schools, but we also have a responsibility within the Government, you know, you in BIA and we in the Congress, to see that these children do receive quality instruction from those schools.

Dr. SOCKEY. Yes.

Senator MONTOYA. I am just wondering whether provision is made to oversee the quality of instruction and proper management of the school by BIA.

Commissioner THOMPSON. Where we enter into a contractual arrangement with a local tribal school board or local tribal government to run and maintain and operate the school, it is done by contract. Some of the stipulations within the contract will address themselves to the quality and quantity of education being provided to Indian children. Of course, the entire objective is to improve the quality of education delivered to the local community. Uppermost in our minds when we change management systems is to try to improve the quality of education.

BILINGUAL AND BICULTURAL EDUCATION

Senator MONTOYA. What are you doing about bilingual education and bicultural education, as well as conventional education for Indian children? Do you have any program on that?

Commissioner THOMPSON. Yes, both bilingual and bicultural. The Bureau probably leads the nation in bilingual education programs. We are proud to say that many State governments are now following our example. We have, for example, up to seven schools in the State of Alaska which have bilingual programs. We have quite a few bicultural programs that are operating throughout the country.

Senator MONTOYA. How many do you have in New Mexico?

Commissioner THOMPSON. I don't have that at my fingertips. Dr. Sockey might know.

Senator MONTOYA. How many bilingual programs do you have in New Mexico in the Indian schools?

Dr. SOCKEY. I am sorry. I don't have the figure at hand.

Senator MONTOYA. Do you have any?

Dr. SOCKEY. We could supply it for the record, sir.

[The information follows:]

Location of Bureau of Indian Affairs bilingual programs in New Mexico

Navajo (Shiprock Agency)—Sanostee-Toadlena	$277,981
Lake Valley Board School	84,384
Acomita Day School	131,400
Northern Pueblos Agency—Santa Clara	65,394
Total	599,159

QUALIFICATIONS OF LANGUAGE INSTRUCTORS

Senator MONTOYA. Are you making sure that those teachers engaged in bilingual education, if there is bilingual education in the Indian schools, are very conversant in the Indian language of the Indian children?

Commissioner THOMPSON. What we have done when we instituted programs—I am sorry I don't have it for New Mexico—is to utilize local people who have received inservice training at universities in the most modern teaching techniques, then gone back to the local school. One of the very unique problems with bilingual education is that it is a new educational phenomena and we need to develop educational curricula methods of teaching, and we need to train teachers. It is a whole new effort, so we have utilized local people who have gone to State universities of higher learning and who have returned to their school to teach.

Senator MONTOYA. I was the author, with Senator Yarborough, of the National Bilingual Education Act, and we have quite a few programs in bilingual education across the country. We do have under the new education amendments a program for the training of school teachers in bilingual education. I am just wondering whether BIA has any program to train some of these teachers, and whether the proper texts are being developed in the different Indian dialects. I am just wondering whether you have any such program.

Commissioner THOMPSON. May I ask Dr. Benham, from the Albuquerque office, to respond.

Dr. BENHAM. Senator Montoya, members of the committee, as you will no doubt recall, last summer the Bureau of Indian Affairs cooperated with the University of Albuquerque in conducting a training program in bilingual education which was attended by people from all over the United States coming to Albuquerque and working in the area of producing materials and developing them on the part of teachers to be used in schools of all types, including the Federal schools. In the general vicinity of New Mexico you have quite a bit of emphasis on bilingual education.

Senator MONTOYA. What kind of teachers do you have?

Dr. BENHAM. These are Navajo teachers teaching the Navajo language using special material that has been developed.

Another project that relates very much to this has to do with work at the University of New Mexico, the other school in Albuquerque, where work in the Navajo language and development of materials that can be used in a bilingual program is going on.

As you know, Senator, as you intimated a while ago, this is one of the problems. Many of the bilingual projects have been forced to use material developed many, many years ago and they have not been cur-

rent, so there is much emphasis in terms of bilingual education in doing this.

Similarly, although I can't say at this location or that location as I can in the Southwest, you find not only in Alaska but in Aberdeen, S. Dak., and other places, in the Seminole country in Florida, you find programs underway. You find the BIA encouraging, helping to develop them, helping them to develop training schools, and so on.

BILINGUAL EDUCATION PROGRAMS IN NEW MEXICO

Senator MONTOYA. You spoke about the Navajos which is fine. What about the Pueblos of New Mexico?

Dr. BENHAM. There are bilingual programs there also. I am sorry I can't give you each location right now, but I will certainly see that you get it.

Senator MONTOYA. I have been with this since the inception. I have visited many of the demonstration schools in the country, and the first demonstration school was in Albuquerque, N. Mex. They would take them in before the first grade and they would train them in both languages. They would train them to speak and to read both languages and they would teach them cultural appreciation and teach them how to sing in their own native language.

This kind of instruction gave those children pride in their heritage and also a desire to join the mainstream of the English language. That is really in capsule form the concept of bilingual education, but by the time they went into the first grade these children were proficient not only in their own language but also in the English language. Otherwise they would have been isolated in the classroom and they would have lagged behind and eventually they would have dropped out. The experience has been great where there have been competent teachers.

In Albuquerque right now, in the public schools, they are teaching 5,000 children bilingual education and the program has been so successful that the public schools, at the urging of just English-speaking children and their parents, decided on a reverse program, and they are now teaching so-called Anglo children in the lower grades how to speak Navajo as well as to learn English, and that program is very successful. One thousand children are enrolled in that program.

Commissioner THOMPSON. Senator, if I may, there are two other advantages to a bilingual program that we found—two other side benefits, and you alluded to one of them—that it does strengthen one's pride in his own cultural background. We found it also strengthens the community's acceptance of education as a positive thing. Many of the people who are bilingual, where English is still a second language in the home, we found them going to school and lagging behind a year or two. So, it is a very important developmental educational tool as well in that they would not lag behind, they would be taught in their main language and introduced to English gradually over a 3- or 4-year period. We found it was very acceptable to them in the learning process.

One of the very exciting things we found is that this increases the public sector acceptance of education as a positive thing for children.

Dr. BENHAM. Along that line and at the other end of the scale, from the beginning years, something that encouraged me a great deal was in the Gallup Public Schools where Navajo was offered for credit for both Navajos and non-Navajos. I have often speculated what a positive effect this would have on the Indian youngsters there to see that it is valued and sought. It was widely attended by non-Navajos, which, I think, augurs well for the efforts that we intended to undertake in bilingual education and are undertaking in the Bureau of Indian Affairs all over the United States where these kinds of needs exist, and we are well along.

Senator MONTOYA. I just hope that you make sure that you get into the bilingual education spectrum qualified teachers who are conversant in the Indian language of the particular area, because that is very important.

We have had experience over in parts of New Mexico where they bring in a Spanish major from the University of Texas, and he cannot speak any Spanish. He has all the qualifications and credentials as a Spanish teacher, but when he goes into that classroom, why, all he can extoll is the greatness of his major and cannot converse with the children. So we have to avoid those pitfalls. That is money down the drain.

How is it in North Dakota? Do you have any questions on this?

Senator YOUNG. Not on this.

Senator MONTOYA. Let's go into another subject.

I just hope before we close out the appropriations hearings for this and the next fiscal year and beyond, the 3 months that come under the new budget period, that you will bring forth some kind of a program that we can consider to start this thing going on contract schools.

Commissioner THOMPSON. Fine, sir.

TRIBAL PRIORITIES

Senator MONTOYA. Several tribal organizations complained last year that their priorities were either ignored or modified or that they learned too late of their priority options to affect budget decisions. What is the situation this time around?

Commissioner THOMPSON. We tried in every instance in this budget cycle, Senator, on an agency-by-agency basis, to hold open public hearings that run from 2 or 3 days to up to a week to meet with tribal officials. In all fairness to the committee and all fairness to the Indian community, while these hearings were scheduled, due to other tribal commitments or due to other business that the tribe felt was more important, we didn't get 100-percent participation by every tribe in the country, but we did make these sessions open, we did announce them, we did send out letters to them to invite them to the meetings. We set moneys aside for travel to bring in tribal groups to every agency so we can get tribal involvement, so the opportunity was there. I feel that this year we did increase very substantially the tribal input.

Senator MONTOYA. Specifically, which activities in your budget were increased or decreased as a result of Indian priorities?

Commissioner THOMPSON. It varied again from area or regional part of the country. As I think we all generally know, there is no unanimous

agreement that this one program or this particular program is good universally throughout the Indian country. For instance, in the area of the Southwest, irrigation and water are very important programs. In the Pacific Northwest, fisheries are very important, and timber is important. In the Midwest, it is wild rice and so forth, so the priorities shift in a national program.

Education did come out high. Probably one of the things that was very consistent throughout the budget process is the fact that the Indian community was very adamant that the United States and the Bureau of Indian Affairs be a better trustee over their Indian lands and resources.

DIRECT INDIAN OPERATIONS

Senator MONTOYA. This year you are emphasizing again the policy of contracting programs to Indians—direct Indian operations. However, you have dropped the budget format that displayed estimated amounts for direct Indian operations. Why did you do that?

Commissioner THOMPSON. Probably for several reasons. One, we were getting Public Law 638 geared up. As you know, that public law that recently passed is very beneficial to us. Secondly, there was some criticism of setting goals for contracting through personnel. They indicated that that is really not true tribal self-determination, telling us how many contracts we have to have or how many people we have to contract out. I generally concurred with that sentiment, so subsequently what we are doing is taking a very aggressive approach to contracting and tribal initiative and with tribal control, and when the tribe is ready, but we are not saying that you have to contract x number of contracts to meet some quota set here in Washington.

In many tribes, as you know, the tribal contracting approach has a mixed reaction. Generally, I think it is accepted, and that pleases us. But in certain sectors of the Indian community, there is violent opposition; some are very passive, others feel that it is the way to go. So we haven't set any goals for contracting per se, and leaving it fully up to tribal self-determination for them to determine when and if they want to contract.

NEPOTISM IN CONTRACT SCHOOLS

Senator MONTOYA. Are you doing anything about nepotism under these contract schools?

Commissioner THOMPSON. Nepotism in the Indian business is a tough problem.

Senator MONTOYA. That is usually the source of intertribal controversy.

Commissioner THOMPSON. Definitely. For instance, we have many superintendents. One of the objectives in the Indian business is to have the Indian community eventually run some of the programs, and when we go down on a reservation by reservation level, there is so much interrelationship going that we have a nepotism problem in two or three of our areas, and we have a situation where one superintendant has several relatives employed who are excellent Bureau employees and with their priority assuming the superintendency. What I am trying to say is that it is a legitimate problem in Indian communities, but we don't know any way around it, because that is the factual situation on the ground.

In the small rural communities, the relationships are rather extensive, and that is just the way it is. If we turn control and authority of the programs over to them, then there is going to be a certain amount of nepotism.

Senator MONTOYA. We have turned control and authority over to local boards of education in the public school system, but we also have State laws that govern nepotism. Why can't we do that in this particular instance through regulation?

Commissioner THOMPSON. That might be somewhat counterproductive in the Indian situation. I am not saying, though, that we can't. It is a problem and we are addressing it. There are certain advantages in the Indian situation to having the best qualified people come forth on a competitive basis.

Senator MONTOYA. Why can't we have a waiver system?

Commissioner THOMPSON. We do in some instances.

Senator MONTOYA. That is the way it is done in public employment, but it has been my experience that nepotism usually divides a community, especially when you have these local boards of education elected by the Indians.

Commissioner THOMPSON. That in some instances has been our experience, but not across the board. In several communities we have had a great acceptance, not a great acceptance but acceptance that we are pretty much interrelated. And the thing was ready to run. You look for the best person that could do the job, and if we get it we ask for waivers. How long will that continue—as you know, we are just gearing up and moving into this area. I am sure over the next couple of years we will develop something.

Senator MONTOYA. You better start doing something about it before you go into mass contracting because you are going to have a lot of trouble if you don't. You ought to start these standards as quickly as possible, set some standards of employment which will more or less obviate the necessity for stricter laws which would bar almost any relative. Would you give that some thought, because I know you are going to have trouble later on and you are going to force communities to go into another election and say, "we reject this," and the contract school idea is going to be rejected strictly on the basis that those on the outside have relatives, too, and they can't be hired.

Commissioner THOMPSON. Senator, I certainly appreciate your feeling and your concern and we will, of course, look at it.

INDIAN TRIBES' CONTRACTING

Senator MONTOYA. Last year you estimated nearly $159 million would be contracted to Indian tribes or organizations and you anticipated a 1,200 position reduction in Bureau employment. What is actually happening? What are your revised estimates?

Commissioner THOMPSON. Senator, if I may, I will have the Director of Administration, Mr. Jose Zuni, respond.

Mr. ZUNI. Mr. Chairman, we are not asking for very many additional positions for fiscal year 1976. You will notice that in the previous discussions the Commissioner mentioned the line item of $11 million for the contracting overhead. This amount is necessary to take care of the tribal overhead and to obviate the criticism, very valid criticism that we were using program funds with which to support tribal overhead.

Senator MONTOYA. Well, you are asking for the same amount?
Mr. ZUNI. Yes.

PERSONNEL REDUCTION GOAL

Senator MONTOYA. And you indicated last year that there would be a 1,200 position reduction in Bureau employment.

Mr. ZUNI. This was the goal, Mr. Chairman. The goal was not achieved. This was directly related to the contracting effort. Our contracting did not increase, which would necessitate the reduction of that many positions.

Senator MONTOYA. If it does increase, would you expect a reduction?

Mr. ZUNI. Yes; that would depend on the action taken by the Indian tribes. Some would probably prefer to employ their own staff, some would probably want to utilize BIA employees and that would be the factor in the number of BIA employees that would be left in the BIA organization.

Senator MONTOYA. You have no figures by way of anticipating what kind of a reduction you will realize?

Mr. ZUNI. We figure that there will be a very small reduction for several reasons. We feel that most tribes will not increase the contracting initiative.

Senator MONTOYA. Why did you people say you anticipated a 1,200 position reduction in Bureau employment, then? What has changed the situation?

Mr. ZUNI. I think perhaps our goal was optimistic and the Indian experience did not bear this out.

Senator MONTOYA. You are sure way off the beam here.

Mr. ZUNI. Yes; our anticipation did not materialize.

Senator MONTOYA. Why have the Indians been slow to accept this opportunity to operate their own programs?

Mr. ZUNI. For several reasons, Mr. Chairman. No. 1, most of the tribes, as you are quite aware, are very conservative people. In any program that is being emphasized by the Bureau, or receiving publicity, it is considered a threat or a new initiative that might result in the Federal Government wishing to reduce services to Indian people. For that reason they wish to approach any new program very cautiously.

ACCREDITATION OF CONTRACT SCHOOLS

Senator MONTOYA. What experience have you had certifying these high schools with the State educational financial setup such as the State board of education or the State department of education with respect to States and the North Central Association, let's say, or the other accrediting associations in the other parts of the country?

Mr. ZUNI. I will have to defer on the question to Dr. Sockey.

Dr. SOCKEY. Mr. Chairman, our schools are accredited in the various States where they operate. We are fortunate in this respect——

Senator MONTOYA. I know, but I remember when we were engaged in trying to get Ramah started and going, we had difficulty getting it certified by the State board of education in New Mexico and I had to make some personal calls myself to get the application out of "file 13" or out of that hearse that was waiting to carry that situation to the burial ground.

Dr. SOCKEY. Mr. Chairman, I might ask Dr. Benham to comment on that.

Senator MONTOYA. I was wondering if you had had difficulty in other States. You recall that situation, don't you?

Dr. BENHAM. Senator, I happened to be a Navajo serving as director of schools when the first contract school was started back in 1967. As you will recall, at that point there was just as much "what is this," and so on and so on. People didn't quite understand it. But in the interim period there has been work going on with the State departments of education, some of this that you did, and this has been done throughout the country where there are contract schools. To my knowledge all is proceeding along these lines. In writing the contract it states that the schools will at least meet State standards for certification of teachers, and so forth, which lends itself to the school becoming accredited, so that is pretty much the way it is going.

Senator MONTOYA. They were very hesitant about doing this, and I think they were afraid they were going to lose some State moneys by doing this, and I threatened to change my name to Geronimo and march up to the State capital with the Indians, and they finally certified it.

I was wondering if you had any more difficulties in other States.

Dr. BENHAM. To my knowledge it is working very, very well, Senator.

Senator MONTOYA. What about the accrediting associations?

Dr. BENHAM. The accrediting associations are being brought into it, in terms of contract schools. I am not aware of any problems with North Central and others, although I am sure at Rough Rock they are accredited. I am not particularly aware of any problems.

Senator MONTOYA. I think we ought to make an effort because this impairs the eligibility of the Indian student to go on to a university unless he comes out of an accredited high school. Would you people look into that?

Dr. BENHAM. Yes.

Senator MONTOYA. I am sure that the associations would establish a perhaps different standard for accreditation in view of the infancy of this type of approach and program.

Dr. BENHAM. Yes.

COSTS OF CONTRACTING TO TRIBES

Senator MONTOYA. Has contracting increased or reduced program costs? What has been your experience?

Commmissioner THOMPSON. What we have here in the 1976 budget, we have identified as an $11 million line item.

If I may go back, Senator, to an earlier question that you asked about why contracting has not been totally acceptable in the Indian community, I think that we mentioned one point, the concern about termination is one concern, but there are some in-house problems as well. We were not properly geared up with the right type of staff; that is, contracting specialist. Public Law 638, which recently passed, which was not passed at the time we set this objective, makes contracting much more flexible now in that we have more flexible authority. We have a grants program that can go to the tribes and they can get supplies to work with.

Secondly, there was concern about the overhead. It was being taken at that time out of program costs so the tribes were saying that meant less services. So one of the things we are doing in the budget is identifying those overhead costs in a separate line item that amounts to $11 million. So, in essence, we are saying that the contract initially is going to cost more on a startup basis.

Senator MONTOYA. How much more would you say it will cost?

Commissioner THOMPSON. We anticipate there in that line item that it will be $11 million.

Senator MONTOYA. Percentagewise for the schools, the contract schools vis-a-vis the BIA schools?

Commissioner THOMPSON. There have been some differences in——

Senator MONTOYA. On a per student basis?

Commissioner THOMPSON. Let me refer to Dr. Sockey or Dr. Benham, they may have costs.

Dr. BENHAM. The administrative cost of the contract schools varies from 6 to 13 percent, Senator. And this is generally just the staffing that they need on a minimum basis to carry on the activity at a particular location such as Rough Rock, such as Ramah or any of the other contract schools.

Senator MONTOYA. You say that the cost varies in contract schools between 6 and 13 percent. Compare that cost with the BIA run schools.

Dr. BENHAM. The cost would be very comparable for the Bureau schools, and by and large the contract schools have pretty much followed the model of having the same types of staff members that a Bureau school would have for a comparable size.

Senator MONTOYA. So it would be about the same?

Dr. BENHAM. Yes.

COMPUTATION OF $11.2 MILLION ESTIMATE

Senator MONTOYA. How did you compute the $11.2 million estimate?

Commissioner THOMPSON. Based on the experience we have of cost to the tribe of administering contracts, discussion with tribal leaders and projection that contracts would total about $100 million in fiscal year 1976, we estimated that $11.2 million would be the amount required. Once again, as both tribes and the Bureau enlarge on contracting, experience factors will be gathered to make the computation easier and probably more exact.

Senator MONTOYA. What portion of the Bureau's programs funds do you estimate will be to direct Indian operations in fiscal 1976, and how will this affect Bureau employment?

Commissioner THOMPSON. With the enactment of the Indian Self-Determination and Educational Assistance Act, Public Law 93-638, which will be implemented some time during fiscal 1976 the effect which this legislation will have upon direct Indian operation and Bureau employment is uncertain at this time. Senator, this is a new ball game now at Indian Affairs and we are learning every day of tribal reactions, problems of implementation including cost and personnel. I hope this time next year I can answer this question more definitively.

CONTROL OF OVERHEAD COSTS

Senator MONTOYA. What control does BIA exercise over the overhead cost of Indian contract programs except through contract?

Commissioner THOMPSON. Senator, if I have the question right, the overhead costs on all our contracts are determined by an OMB circular, A–85, I believe, which sets forth different types of contracts, various overhead arrangements, so we are following Federal guidelines on overhead on all our contracts.

Senator MONTOYA. What are those based on, the experience with the public school education in this country?

Commissioner THOMPSON. I refer to irrigation and all the other types of contracting we do, so it is based on that experience; yes.

Senator MONTOYA. What about oversight on the overhead or monitoring or checking?

Commissioner THOMPSON. All our contracts, we have the authority of course to audit both at the Bureau level, then at the departmental level and, of course, Congress retains the right to audit through GAO, and there have been all three types of audits done on contract schools.

Senator MONTOYA. Have you had any cost overruns?

Commissioner THOMPSON. In several instances, yes.

Senator MONTOYA. What do you do, dip into your supplementary funds or reserve funds to take care of them?

Commissioner THOMPSON. In some instances we had to do that, correct, Senator.

Senator MONTOYA. To what extent have you done this during the course of this year?

Commissioner THOMPSON. I believe we have done that in two schools that I have knowledge of.

Senator MONTOYA. Are you speaking of cost overruns in construction, or overhead also?

Commissioner THOMPSON. I am speaking primarily of one situation that I have some familiarity with: Rough Rock which ran over the estimated contract amount, the total contract amount.

Senator MONTOYA. Senator Young.

BISMARCK INDIAN-TRAINING CENTER

Senator YOUNG. Mr. Commissioner, I have long been interested in the type of education that would give Indians training for jobs. About 6 or 8 years ago I was able to get an appropriation through this committee and the Congress to establish an Indian training school at Bismarck, N. Dak., at old Fort Lincoln. I would like to have some information with respect to the school.

First, how many students do you have now, this year and last year; the cost per student; and, how many actual jobs were these Indians placed in after they completed their training? I am trying to find out how much this training has helped them to get jobs. How many of these students actually got jobs? Would you provide that information?

Commissioner THOMPSON. We would be pleased to, Senator.

Let me add, if I may, by saying that I personally visited the Bismarck Center on two occasions. I was somewhat impressed with the program they run and the facilities they run. As you know, it is a rather old facility that they are currently housed in.

Let me ask Mr. Dan McDonald, the Director of Tribal Resources, to respond with some general information. If we don't have all of the factual information that you requested we would be pleased to submit it for the record.

51-957 O - 75 - pt. 3 - 56

Mr. McDONALD. Senator, I'm afraid I don't have the total information.

Senator YOUNG. You can provide it for the record and send me a copy.

Mr. McDONALD. We certainly will. I can respond in one area about the placement factor. I believe that they were claiming about a 65 to 75 placement factor of the people that went through the program.

Senator YOUNG. I would like to have the number of students you had last year and the year before.

Mr. McDONALD. We will provide that for you.

Senator YOUNG. And how many jobs they got each year and the cost per student.

Mr. McDONALD. We will provide that.

[The information follows:]

Last year there were 414 students, to date this year there are 315 students. The cost per student is approximatey $4,123 per year. In fiscal year 1974, there were 130 graduates; 99 of the graduates were placed in jobs. This year there have been 88 graduates and 96 (some are carryovers from last year) were placed in jobs. Of those placed in jobs, 26 from last year and 38 from this year are still employed on their original jobs.

TURTLE MOUNTAIN RESERVATION HIGH SCHOOL

Senator YOUNG. I believe the only school construction request for North Dakota in the budget is $6 million for a new high school at the Standing Rock Reservation. Did the Bureau know about the request from the Turtle Mountain Reservation for a new high school, and why isn't there any money in the budget for the Turtle Mountain school? They have a real overcrowded situation. They really need a new addition to that school very badly.

Commissioner THOMPSON. Senator, if I may, I would like to have Mr. Bob Dudley, chief, division of school construction, respond as to why it is not a priority and what status it has.

Mr. DUDLEY. We have a contract for the design of the school at Turtle Mountain and this is progressing satisfactorily. It is near completion and we haven't asked for construction funds in line with the Congress' mandate that we not do this until the design was completed and an adequate cost estimate established.

Senator YOUNG. How long before you will be ready for construction funds?

Mr. DUDLEY. I believe now this becomes an educational priority matter and it will fall in line as it meets the criteria established by the office of education for priorities. As you know, we have usually quite a limited dollar amount for construction.

Senator YOUNG. Can you give me some idea when you will be ready to ask for construction funds?

Mr. CARMODY. At the end of completion of design, then it will be considered along with the other priorities that will be established this coming May, Senator. We don't know at this time where it will fit on the priority list.

Mr. DUDLEY. But it will be considered for fiscal year 1977.

Mr. CARMODY. It will be considered for the priority listing and that will be developed by May, middle of May.

SCHOOL CONSTRUCTION FUNDS, PUBLIC LAW 638

Senator YOUNG. You wouldn't have this new school for about 3 years at best. That presents a very serious situation, because I know something about how overcrowded they are.

I notice your budget does not contain any funds to implement Public Law 93-638. I presume this is because the bill was approved too late to be included in your consideration for fiscal year 1976. Could you provide the committee with a description of this legislation and how it will be administered?

Commissioner THOMPSON. We would be pleased to do that, Senator. Let me just basically respond generally.

As you know, the Indian Self-Determination and Educational Act passed in December, was signed into law this last January. Since then we have worked rather aggressively with the Indian health service, the Indian community. We are now completing a series of 12 regional meetings throughout the country to get the Indian reaction and provide an overview of the act. We have to come up with regulations by October to implement the act. We are working with the Public Health Service.

As part of the consultation sessions we are having, we are trying to ascertain how much and what types of dollars we need to implement the program. That is currently ongoing. We see this problem as an amendment to the 1976 budget and we would be pleased to provide the information to you, Senator.

SCHOOL CONSTRUCTION CAPABILITY

Senator YOUNG. The construction portion of this program could be very helpful to many schools in North Dakota which are educating substantial numbers of Indian children but which do not have the taxation necessary to float the bond issue for an expanded facility. What is your capability for this program for fiscal year 1976?

Commissioner THOMPSON. Again, since the act was recently enacted it is not cranked into the 1976 budget cycle that we have here today. We are looking at that particular provision as well to see what type or if any supplementals or amendments we will come forward with. That is part of the constitutional process that is ongoing right now.

Senator YOUNG. You don't know what your capability is?

Commissioner THOMPSON. Currently, of course, because there were no appropriations, we don't have any money to implement that particular provision.

Senator YOUNG. Have you asked the Office of Management and Budget yet for any money on that?

Commissioner THOMPSON. No, we have not.

Senator YOUNG. When do you think you will be in a position to do it?

Commissioner THOMPSON. We just started the consultation processes. The act was passed a month and a half ago. We were hopeful to have some idea of our budget needs. We are working on that currently. We hope to have those within a month or so.

Senator YOUNG. As I understand it, then, you have no capability for 1976?

Commissioner THOMPSON. Currently, because of the timing of the passage of the act, we don't have any money in this budget. We don't, however, want to preclude ourselves from coming in either for a supplemental or amendment.

Senator YOUNG. There are $35 million authorized. It seems to me you ought to give some idea of your capability if the Congress decided to appropriate some money for it.

Commissioner THOMPSON. In school construction, Senator, as I am sure you are aware, we have a terrific construction backlog and if moneys were to be appropriated by Congress they would be expended. As you know, we have to adopt the HEW—it is strictly not a Bureau of Indian Affairs activity here—we have to go out and meet with the HEW and adopt some of their construction priorities. That activity is ongoing now. But certainly I am sure you are aware that there is a terrific need in education construction throughout the country and particularly in rural America and particularly in rural Indian America, so if Congress did appropriate it, the moneys could certainly be expended. We have been working with HEW in the month and a half that the act has been passed and are trying to come up now with some funding estimates.

Senator YOUNG. I don't know if I have a clear answer yet or not, but going back 10 or 15 years I have gotten amendments to appropriation bills to help these schools where they were educating Indian children, additional appropriations. Now we have a law to do this, but you have no idea what your capability would be. Suppose the Congress were to appropriate $10 or $15 million?

Commissioner THOMPSON. I think, Senator, the reason we can't come up with some instant answers as to how much the backlog would be is that backlog vests with the Department of HEW in the area we receive legislative authority. That is to construct in rural areas where we have Indians attending public schools, so we are working with them to determine what their priorities are.

I can only say now, in fairness to the Senator, that we don't have an estimate as to what the total universal need is. We are working actively to develop it. We hope to have that fairly soon, but to answer as honestly as I can, we are not prepared today to say that we need $10 million to implement that provision of the act.

Senator YOUNG. Can you give me any idea when you would be ready to give me an answer? Two months, 6 months, a year, or when?

Commissioner THOMPSON. We hope to have that information within probably 2 months, Senator.

Senator YOUNG. Thank you.

ALASKA HOUSING PROGRAM

Senator STEVENS. Mr. Chairman, knowing the time frame that is involved here, I have a series of questions I would like to ask of the Commissioner, and I will be brief.

First, I would like to commend the Bureau, Mr. Commissioner, on the job they have done in Alaska in implementing the joint housing program with the Indian Health Service and HUD to build 500 new

homes in rural Alaska. How far along are we on construction at this time?

Commissioner THOMPSON. 406 units are completed at the factory and are being readied for shipment.

Senator STEVENS. It seems to me that in the future that the problem of bringing in three agencies to assist in obtaining these housing units will not exist due to the amendment I introduced regarding financial feasibility. There should be no problem; HUD should be able to allocate these units in the future. Isn't that right?

Commissioner THOMPSON. Yes; with possible questions arising concerning the overall per unit costs.

Senator STEVENS. When do you anticipate completing the housing?

Commissioner THOMPSON. Final inspection is anticipated in June 1976.

Senator STEVENS. It has been my experience that the conventional HUD public housing programs are not suitable for many areas of Alaska. This was, as you know, the reason we needed the assistance of the Bureau to fulfill the HUD commitment in my State. When the 500 units are completed, how many addtional homes will be needed in the bush to replace those which are substandard and dilapidated?

Commissioner THOMPSON. The June 30, 1974, inventory shows 8,321 new units are needed and 944 renovations.

HOUSING IMPROVEMENT PROGRAM ALLOCATIONS

Senator STEVENS. How much is planned on being allocated to Alaska out of the HIP moneys?

Commissioner THOMPSON. The tentative total fiscal year 1976 HIP appropriation is approximately $11,210,000. Of this amount, approximately $1,733,300 will be allocated to Alaska.

Senator STEVENS. How many new homes can be constructed in Alaska in fiscal year 1976 under the HIP program?

Commissioner THOMPSON. In fiscal year 1976, we anticipate building 109 new units in Alaska.

PROGRAM NEEDS

Senator STEVENS. It is my understanding that only 65 HUD Indian units will be allocated to Alaska and that they are tentatively scheduled to go to Sitka Indian Village and Metlakatla. These 65, coupled with the 109 units from the HIP program, will not make much of a dent in our housing needs. On June 30, 1974, there was an inventory need of 8,321 new units and 944 renovations, as you noted.

Has the Bureau done any work in designing a housing program better designed to meet Indian housing needs across the Nation? I understand that areas other than Alaska have experienced difficulties with HUD programs.

Commissioner THOMPSON. Last year we developed an option paper. This paper, plus the Housing and Community Development Act of 1974 and activity generated by Senate Interior and Insular Affairs Committee Report, "Indian Housing in the United States," has led to a great deal of interest, discussions, and some conclusions concerning a housing program designed to meet the Indian needs. In addition to the option paper, we have been involved and participated in discus-

sions with many Indian people, in line with our policy of self-determination and Indian consultation, as well as many other interested groups, both Indiana and non-Indian, about Indian housing.

Although there are some details where we have not arrived at final conclusions, we feel that a more comprehensive approach to housing the Indian people is in order. This approach should address itself to providing a range of housing for various income levels that exist among Indian people. We also feel that because of the uniqueness of the trust land status as well as particular local area problems, such as you are familiar with in trying to house Alaska Indians and Natives, separate Indian housing legislation is needed.

IMPACT OF PUBLIC LAW 93–638

Senator STEVENS. How will Public Law 93–638 affect the Indian housing problem? How many housing projects are presently being granted or contracted under Public Law 93–638?

Commissioner THOMPSON. The Public Law 93–638 does not affect the HIP. We have generally handled the HIP through use of contracts or grants.

The regulations are not published yet on Public Law 93–638; however, we feel that the Bureau's housing program will be one of those programs which will enhance the use of this legislation.

Senator STEVENS. It is my understanding that the Bureau's housing program already follows Public Law 93–638. It seems to me that the expansion of HIP through Public Law 93–638 would be the best way to develop Alaska housing; don't you agree?

Commissioner THOMPSON. Yes; I do.

Senator STEVENS. In regard to the 500 units of housing already approved for Alaska, it looks to me that, unless something is done, this may be the end of the housing program in Alaska for a while. Isn't the effect of the pipeline on housing need being taken into account? In fact, isn't there a greater need than ever for additional Indian housing?

Commissioner THOMPSON. Yes; there is a continuing and increasing need.

Senator STEVENS. I do hope you intend to be present and testify before the Interior Committee when they hold hearings on Indian housing the last of April and beginning of May and will keep Alaska's housing needs in mind.

Commissioner THOMPSON. Yes; I intend to.

Senator STEVENS. Mr. Commissioner, it is my understanding that the BIA was to provide six technicians and/or construction superintendents to help in the Alaska housing program.

Commissioner THOMPSON. We feel the maximum need would be for five technicians. At present, our Juneau area office has asked for four technicians. These technicians will start arriving on or about the 15th of April. If it is determined that one more technician is needed, we will make him available.

AKIAK AND DIOMEDE SCHOOLS

Senator STEVENS. How much is the BIA allocating for the design and planning at Akiak of a day school? I believe you are doing this in conjunction with the State of Alaska.

Commissioner THOMPSON. $180,000 has been appropriated for design of a replacement facility at Akiak Day School, Alaska.

Senator STEVENS. Is the $1 million designated for Diomede design and planning sufficient to complete this project?

Commissioner THOMPSON. In fiscal year 1976 we are requesting an additional $300,000 for this project.

Senator STEVENS. As I am sure you are aware, in fiscal year 1974 the Senate Appropriations Committee directed the BIA to review programs designed to manage and develop the full potential of lands and resources on Annette Islands Reserve and to implement programs which would increase tribal income, employment, and other benefits. This was made necessary because the Metlakatla Indian community was excluded from participation in the benefits of the Settlement Act. What steps have been taken to carry out the committee's directive?

Commissioner THOMPSON. Juneau reviewed the situation with particular emphasis on determining what part of program funds might be utilized in a contract or contracts with Metlakatla. Their program priorities included law and order, forestry, fisheries, minerals. There is the fisheries activity which provides employment opportunities, and there is a cannery supervisory there to oversee the work. There is also a full-time forester to assist in managing their forest resources. In fiscal year 1974 they sold about 13 million board feet of timber, with income of about $286,000. The forestry activities also generate employment opportunities and income. This review process involves the Metlakatlas and was particularly emphasized in the preparations for the fiscal year 1977 planning cycle. And this fiscal year we are funding a mineral resources inventory there.

Senator MONTOYA. Do you have anything else, Senator Young?

Senator YOUNG. No, thank you, Mr. Chairman.

Senator STEVENS. We have a very fine distinguished Commissioner. I want to commend him on the record for the great job he is doing for Alaska and the other States.

Senator MONTOYA. We have a very good member on the committee who is always asking a lot of things for Alaska.

OFFICE FURNITURE

The committee has read with concern the recent news reports that a BIA official went outside regular Government purchasing channels to decorate his offices with more than $13,000 in furnishings. The official was identified as Jose Zuni, Director of the Office of Administration.

We would like to hear from Commissioner Thompson why this developed, if the reports are accurate.

Commissioner THOMPSON. The activity recently took place within the last 4 to 6 months. There were some purchases made at the time that were thought to be ordinary purchases and subsequent reexamination discovered them to be not through normal GSA channels. At that time action was taken to return the furniture, refurnish the office with GSA approved furniture, and I would imagine the situation is somewhat corrected. There is no full explanation for it, but we feel that we are back now to procuring the furniture for the offices of some of our directors through normal channels.

Senator MONTOYA. How could you return the furniture if it was already in use?

Commissioner THOMPSON. The furniture, I believe, was taken back by the furniture company. Let me make sure of that specific point, though, Senator, I want to give nothing but the truth to the Committee. It is my understanding, Senator, that most of the furniture was never delivered, so we never did accept delivery.

Senator MONTOYA. What was delivered and what was kept, and what amount is involved?

Commissioner THOMPSON. If I may, I would attempt to supply that for the record, Senator, if that would be all right.

Senator MONTOYA. How much did the Government lose by way of getting out of the contract?

Commissioner THOMPSON. I don't believe there was any financial loss to the Government. I don't have that information here, Senator, but I would be pleased to submit it.

Senator MONTOYA. Will you furnish complete details of the initial phases of the transaction, when that transpired, and what caused you to return part of the furniture, and what did the Government finally pay outside of the GSA spectrum or channel for any furniture bought by BIA?

Commissioner THOMPSON. We would be pleased to, Senator.

Senator MONTOYA. Are there any other instances where this happened during the course of the last fiscal year?

Commissioner THOMPSON. Not to my knowledge, no.

Senator MONTOYA. Would you tell me in whatever report you file with the Committee what other expensive furniture has been bought outside of GSA channels by BIA?

[The information follows:]

Subsequent to the disturbance in 1972, the Bureau's office furniture was extensively depleted. When the Director, Office of Administration reported for duty he was temporarily assigned the only available office space—a room comprising 255 square feet. This space is furnished with odds and ends of office furniture. To accommodate the needs of the directorship on conferences with his staff, tribal delegations and visitors, the Director was subsequently provided a larger office which became available as other moves were made within the Interior South Building.

Not having any other office furniture on hand, the acquisition of furniture became urgently necessary. On occasion, items are procured outside of GSA sources particularly when there is an expeditious need for them. Purchase orders for the furniture were signed by the Director of Administration unaware that a waiver from GSA had not been obtained to purchase in the open market. Subsequently, all procurement of furniture is being made through GSA schedules or or waivers obtained before purchasing in the open market.

Items of furniture delivered to the Bureau of Indian Affairs for the Office of the Director of Administration included the following:

1 sofa (couch)	$699
2 chairs	639
2 chairs	579
2 tables (end)	239
1 coffee table	119
2 lamps	199

The request for the above listed items was cancelled, and returned to the vendor. Therefore, the Government does not owe anything for the furniture delivered. However, there is a possibility that the vendor may demand reimbursement for out of pocket expenses incurred in the procurement and delivery of this portion of the order.

No other furniture outside of approved GSA resources has been purchased.

REEQUIPPING DAMAGED BIA OFFICES

Senator MONTOYA. How much has been spent to date on relocating, furnishing and equipping the BIA's Washington offices since the sacking of its old headquarters building in 1973?

Commissioner THOMPSON. Senator, $325,200 was expended by the BIA in fiscal year 1973. The repair of building was $124,000 and $201,200 was for damage, destruction, or theft of office machines, equipment and other costs.

Subsequent to the rehabilitation of the BIA offices caused by the occupation of the headquarters building in November 1972, the Bureau has spent for relocation, furnishing and equipping the Washington headquarters about $84,000 in the following categories:

(1) Furnishing executive offices, $39,000; (2) Relocation of offices, $25,000; (3) Normal replacement of furniture and equipment, $20,000.

REALINEMENT OF STAFF

Senator MONTOYA. Your statement also mentions realinement of your Washington staff. What was achieved by this change? Did you reduce any higher-grade positions in the process and save any money?

Commissioner THOMPSON. Yes, we did, Senator. We reduced a number of offices reporting to the Commissioner from 13 down to 6. We also reduced the general Washington employees by about some 1,300 positions so that that has a terrific cost savings to the Government. We have established a policy and guidance function within the Bureau of Indian Affairs here in the central office. So, basically, we consolidated 13 offices down to 6.

Senator MONTOYA. How many people does the BIA now have in its Washington headquarters? Please furnish a separate detail of permanent positions for the Washington office, with comparisons for the past 5 fiscal years.

Commission THOMPSON. Senator, we now have 292 people in the Washington office. I have the five years comparison which I will submit to you.

[The information follows:]

Washington headquarters

Fiscal year:	*Number of employees*
1971	423
1972	395
1973	368
1974	308
1975	292

PUBLIC LAW 93–638 REGULATIONS

Senator MONTOYA. Your statement touches on the Indian Self-Determination and Educational Assistance Act. When do you expect to have the necessary regulations developed?

Commissioner THOMPSON. Congress gave the Bureau and HEW some seemingly short deadlines to implement that act. We have to come up with regulations by August. We are working rather exten-

sively right now with HEW, Dr. Johnson and myself. The Deputy Commissioner has taken this task on full time. I think we are off to an excellent start to get the act implemented.

As I indicated to Senator Young, we are out now in the field with consultation sessions to explain the act to the Indian communities. We are doing these in 12 different locations, having formal meetings with HEW employees, BIA, and tribal officials. We hope to come up with draft regulations by May, go out in the field to get Indian viewpoint, and have regulations ready by November. I said August, and it is November. I am correcting myself.

We are doing several things as well—looking at the staffing needs to implement the act—and I think we are off to a very good start in getting the act implemented.

CONSTRUCTION AUTHORIZED UNDER PUBLIC LAW 93–638

Senator MONTOYA. As we touched on earlier, the act contains an authorization of $35 million for this year and for fiscal 1976 to assist in constructing badly needed Indian public school facilities. Why is there no funding proposed for either year?

Commissioner THOMPSON. Senator, I will have Education respond, but basically I am sure it is a timing problem. The 1976 budget, as you know, was pretty well, from an administrative point of view, wrapped up by the time, in fact it was on the Hill after the President had signed the public law, so——

Senator MONTOYA. Yes, but in view of the mandate in the particular statute, why wasn't a request, a delayed request made of OMB for inclusion of some funding for this particular objective? That is done usually by departments when the authorizing legislation is late.

Commissioner THOMPSON. Yes, Senator, we are not precluding ourselves from doing that. In fact, we will anticipate now coming forward with an amendment to the 1976 budget to cover the total implementation of the act with this particular item included in a supplemental. We hope to go through the amendment process first, and we anticipate having that information developed within a month or two.

Dr. BENHAM. Senator, you will recall a few years ago this committee directed the Bureau to get an analysis of public schools located on reservations, their construction needs. We did that, and recently along the lines the Commissioner is talking about, in order to be ready to move and in order to have a pretty good command of the fact, we took the analyses to Health, Education, and Welfare, and worked with the Secretary over there, so that nothing was left undone. That was updated and we do have this kind of information in hand and ready to go as we move ahead making the determinations that the Commissioner outlined a while ago.

Senator MONTOYA. I wish you would try to go to OMB as quickly as possible. Maybe we can consider it in this appropriation.

Commissioner THOMPSON. Senator, we will make every effort.

HEW PRIORITIES

Senator MONTOYA. Has the Commissioner of Education furnished the Bureau a list of school construction priorities, as required by the act?

Dr. BENHAM. Yes, they have been very, very cooperative, and we are working hand in glove with them.

Senator MONTOYA. Won't a program of this nature require only a small administrative cost since the projects have already been reviewed and evaluated by HEW?

Commissioner THOMPSON. Generally speaking, you are correct. Prioritizing of the construction projects will take considerable time and resources by HEW to complete. However, the act also requires subsequent actions by the Department of the Interior that will have major and direct impact on the activities of various offices and divisions of the Bureau of Indian Affairs. The authorization of a $35 million school construction appropriation for each of the next 5 years, and subsequent receipt of those funds by the Bureau, includes a requirement to also accomplish the following for each public school construction project:

(1) Contract documentation preparation; (2) planning, monitoring and evaluation; (3) wage and labor standards compliance; (4) reporting and auditing components; and (5) analysis of construction costs.

Each of the above responsibilities will require some additional personnel assistance if the Bureau is to be responsive to the act requirements. Hence, a modest increase of the Bureau's staff may be needed to complete these additional duties under part B of title II of the act.

Senator MONTOYA. Why can't this assistance program be implemented immediately?

Commissioner THOMPSON. We have been working very closely with HEW and we do have a tentative list of projects that they have prioritized with Public Law 93-638. If funds were made available we could proceed immediately to work with public schools in accordance with the act.

Senator MONTOYA. Please supply for the record the funds that could be obligated expeditiously for public school construction showing priorities and amounts by school.

Commissioner THOMPSON. We would be pleased to, Senator.

[The information follows:]

Project No.	Applicant	Priority	Estimated cost only
New Mexico 73-C-402	Gallup-McKinley County (Thoreau)	(1)	4,879,870
Montana 74-C-405	Heart Butte	198.9	2,307,020
Arizona 74-C-413	Alchesay H.S.C	197.8	4,556,191
Montana 75-C-5001	Pryor High School District No. 3	191.5	2,294,471
Montana 75-C-4001	Blaine County High School District No. 52 (Hays)	190.8	1,458,333
Montana 75-C-15	Blaine County Elementary School District No. 50 (Hays)	176.34	3,041,660
Montana 75-C-404	Lodge Grass Elementary School District No. 27	147.1	1,379,610
Montana 75-C-5001	Frazier High School District No. 28	106.6	1,639,539
Montana 75-C-17	Frazier Eelementary Sch District No.2	104.4	472,024
Arizona 73-C-607	Kayenta Elementary School District No. 27	96.0	4,698,409
New Mexico 73-C-402	Gallup-McKinley County (Navajo)	85.5	910,000
Arizona 74-C-517	Indian Oasis	80.3	5,748,749
Minnesota 69-C-403	I.S.D. No. 707 Nett Lake	78.9	89,500
Arixona 73-C-15	Yuma School District No. 27 Parker	70.4	1,524,624
Total			35,000,000

[1] Carry over.

CHEMAWA SCHOOL

Senator MONTOYA. Last year this committee directed the Bureau to expedite design of a replacement facility for the Chemawa Indian school so that construction could be funded at an early date. What is the status of that Oregon project?

Commissioner THOMPSON. The plans and specifications are scheduled for completion in July 1975.

SAN FELIPE SCHOOL

Senator MONTOYA. Tell me about the San Felipe school. What have you done about that?

Mr. CARMODY. San Felipe school at the present time falls under the policy regarding the taking of children out of public schools. To date they have not submitted their requests for exception to this policy and we know that the area and the local people are working on it and it should be submitted within months, 2 or 3 months, we hope.

Senator MONTOYA. Assuming that it will be submitted, what are the prospects for inclusion of the San Felipe construction and assigning it a priority?

Mr. CARMODY. At the time, assuming that it would be approved, then it would get into the priority system and a number would be given to it at that time.

Senator MONTOYA. Won't a program of this nature require only a small administrative cost as the budgets have already been reviewed and evaluated by HEW?

Dr. BENHAM. Certainly, I don't think there is any question from the standpoint of education that this will be of great assistance, the work that HEW does on it. This still leaves some followup to be given from the standpoint of supervision of construction and so on and so on, and we are working with them in an endeavor to get clarification and based on the clarification received in order to make determinations of what we need in order to carry out the act in terms of education, in order to carry it out as the Senate and as the House of Representatives and the President want it carried out.

Senator MONTOYA. How can the Commissioner furnish a list of school construction priorities if he does not have any indication of what the funding might be?

Dr. BENHAM. The way the system works over in Health, Education, and Welfare is they maintain a list of construction priorities that they have been using for Public Law 815 as amended, projects which are very similar to the projects under this bill, so at the present time this is the list that is being looked at, and I am sure it is being modified as new circumstances arise and so on. This is part of the process that HEW has.

Senator MONTOYA. They establish the priorities and then you examine their priorities, but you don't challenge them, do you?

Dr. BENHAM. No, sir, we talk with them about the basis for the priorities and, you will recall, about the study that I mentioned a while ago, which pretty well pinpoints and puts into perspective the Indian affected school districts that are presently being served by Public Law 815 which will be going under Public Law 638.

Senator MONTOYA. Who is better able to judge the adequacy of priorities, you or the people at HEW?

Dr. BENHAM. Our interpretation of the bill is that we use their priority system, and certainly we are trying to carry out the provisions of the bill.

Senator MONTOYA. Certainly you ought to have a right to challenge them.

Dr. BENHAM. Yes, we do.

OKLAHOMA EDUCATIONAL NEEDS

Senator STEVENS. Would you yield, Mr. Chairman?

On the conference report last year, the managers of the Senate and House directed the Bureau to provide a full and complete assessment of the current projected Indian education needs in Oklahoma, including Federal and public schools. Was that done?

Dr. BENHAM. Yes; it is in process. It is underway, the contract has been let, the work is going on at the present time, Senator.

CHEMAWA SCHOOL DESIGN

Senator STEVENS. What about the manager's agreement that a prompt request for construction funds for Chemawa Indian School would be submitted once the design studies were completed? Has that been done?

Mr. CARMODY. The design for Chemawa will be complete, it is anticipated, this July.

Senator STEVENS. Are they being wrapped into this new bill?

Dr. BENHAM. No, sir.

EARLY CHILDHOOD EDUCATION

Senator MONTOYA. I don't know if I am talking about the same conference report now that Senator Stevens was, but in the conference report on the fiscal year 1975 appropriation bill the BIA was directed to analyze program needs for early childhood education and submit a report. Has this report been submitted?

Dr. BENHAM. No, sir, we are in the process of letting the contract for the study now. That is exactly where it is.

Senator MONTOYA. When will you submit the report, more or less?

Dr. BENHAM. It will take about a year, Senator.

Senator MONTOYA. Why does it take so long?

Dr. BENHAM. Because it calls for a very widely based comprehensive look at early childhood education needs in order to get a firm grasp of what the needs are.

Senator MONTOYA. I thought you were doing that all the time.

Dr. BENHAM. Yes, we are, and this will tend to confirm the work that is going on.

Senator MONTOYA. Why do you need confirmation of the work that has been done, hasn't it been accurate?

Dr. BENHAM. We feel like it has, Senator, but at the same time once in a while we do make a mistake.

Senator MONTOYA. I just think it is too long to delay that. I wish you would look into this because that is going to delay us in trying to

provide something by way of implementation. Of course, we have waited for hundreds of years to take care of the Indians. I guess 1 year or more won't hurt.

Commissioner THOMPSON. Senator, let me also respond. We have, of course, on a demonstration basis operated a couple of early childhood programs. In fact one that we operated won a national award as a pace setter from NEA as one of the better programs in the country. So while we are studying, we are in the operational stages as well.

OPERATION OF NEW FACILITIES

Senator MONTOYA. Most of your $3.6 million increase for education this year is for operating new BIA facilities. Will the total increase for school operations be solely for new facilities?

Commissioner THOMPSON. Yes, Senator.

Senator MONTOYA. How much of your school operation program is being contracted to Indians?

Commissioner THOMPSON. We have 15 schools under contract.

Senator MONTOYA. Fifteen, and five all ready for consideration?

Commissioner THOMPSON. Yes.

Senator MONTOYA. A total of 50 being anticipated?

Commissioner THOMPSON. With 50 as an objective.

JOHNSON-O'MALLEY PROGRAM

Senator MONTOYA. Yes, all right. Explain the $400,000 reduction in your Johnson-O'Malley program request. Did this reflect Indian priorities?

Commissioner THOMPSON. I will have Education, if I may, Senator respond.

Dr. SOCKEY. Mr. Chairman, that is a result of an add-on that occurred last fiscal year for the Menominee restoration.

Senator MONTOYA. Would you please highlight the major problems of Johnson-O'Malley assistance to public schools and indicate how the recently revised regulations will correct them.

Commissioner THOMPSON. We will do that.

Senator MONTOYA. Also tell us how the new distribution formula for JOM will work and supply a State breakdown of funding for the fiscal year 1974–76 period to show the changes. Include a per capita funding for Indian students.

Commissioner THOMPSON. I will be pleased to, Senator.

[The information follows:]

JOHNSON-O'MALLEY PROGRAMS

The old regulations read: "the program will be administered to accommodate unmet financial needs of school districts related to the presence of large blocks of nontaxable Indian owned property in the district and relatively large number of Indian children which create situations which local funds are inadequate to meet. This Federal assistance program shall be based on need of the district for supplemental funds to maintain an adequate school after evidence of reasonable tax effort are receipt of all other aids to the district without reflection on the status of Indian children."

The new 25 C.F.R. Part 33 does not speak to large blocks of Indian owned land within the school district and distinguishes between basic support and special need programs. Other major changes are, more Indian control and

decision making, the Johnson-O'Malley Educational Indian committees must be selected and participate in decision making and the Area Director should not sign the contract for programs to be funded unless there is proof the above committees have participated in the decision making, also the committees have veto power over special programs to be funded.

JOHNSON-O'MALLEY ALLOCATIONS

The distribution is based on the current regulation which states that:

"All funds for supplemental programs shall be apportioned among the states on a substantially equal basis, based upon the number of eligible students for whom funds are sought, with allowances being made for the actual cost of delivering educational services in each state for the purpose of determining the actual cost, the Commissioner shall refer to the average statewide per pupil expenditure." The following procedures are used:

1. Per capita expenditures for each state are tabulated—these follow Office of Education developed statistics used for P.L. 874.
2. A factor is computed for each state based on these costs.
3. The number of students served this year is entered—based on data received from Area Offices.
4. The number of students is weighted by using the cost factor in order to arrive at a tentative allocation from a pure equity standpoint.
5. The tentative allocation is then compared with the prior year (current) allocation.

DISTRIBUTION OF JOM FUNDS BY STATES

Area/State	F.Y. 1974 No. of Students	F.Y. 1974 Total Amount	F.Y. 1975 No. of Students	F.Y. 1975 Total Amount	F.Y. 1976 No. of Students	F.Y. 1976 Total Amount
ABERDEEN						
Nebraska	715	670,000	865	670,000	865	158,831
North Dakota	2,208	740,000	2,143	740,000	2,143	338,251
South Dakota	5,258	1,640,000	4,783	1,640,000	4,783	762,936
ALBUQUERQUE						
Colorado	866	287,000	897	292,000	897	164,178
New Mexico	5,032	1,478,000	6,451	1,557,000	6,451	1,025,515
ANADARKO						
Kansas	216	102,000	220	102,000	220	40,027
West Oklahoma			4,051	543,000	4,057	572,646
BILLINGS						
Montana	7,648	1,060,000	6,424	1,060,000	6,424	1,197,498
Wyoming	982	135,000	998	135,000	998	211,606
JUNEAU						
Alaska	8,600	4,625,000	14,879	5,684,000	14,879	4,844,007
MINNEAPOLIS						
Minnesota	3,357	1,320,000	3,467	1,330,000	3,467	793,943
Wisconsin	2,247	450,000	2,002	504,000	2,402	505,476
Iowa	237	150,000	231	124,000	231	44,627
Michigan	691	135,000	711	111,000	711	157,501
MUSKOGEE						
East Oklahoma	-	- 1/	10,522	2,130,000	10,522	1,485,180
Oklahoma	12,812	2,130,000		1/		1/
NAVAJO						
Arizona	-	- 2/	13,016	3,355,000	13,016	2,179,790
Arizona peripheral	-	- 2/	-	- 2/	799	133,809
New Mexico	15,774	1,970,000	16,299	2,200,000	16,299	2,591,052
N.Mex. peripheral	-	- 2/	-	- 2/	283	44,989
Utah	-	- 2/	-	- 2/	1,243	185,319
Utah peripheral	-	- 2/	-	- 2/	185	27,582
PHOENIX						
Arizona	17,615	4,035,000	6,024	1,180,000	6,024	1,008,839
Nevada	2,295	230,000	2,710	230,000	2,710	493,925
Utah	63	20,000	520	20,000	520	77,527
PORTLAND						
Idaho	1,737	485,000	1,648	485,000	1,648	229,237
Washington	5,945	975,000	5,983	975,000	5,983	1,221,489
Oregon	1,014	70,000	1,025	70,000	1,025	222,435
SACRAMENTO						
California	2,913	350,000	1,940	350,000	1,940	376,961
EASTERN						
Florida	225	10,000	245	10,000	245	41,496
Mississippi	89	15,000	96	15,000	100	11,501
New York	-	-	2,400	120,000	2,400	783,432

1/ Funds split between Anadarko (W. Okla.) and Muskogee (E. Okla.) for F. Y. 1975 and 1976.

2/ These amounts were not broken out in fiscal years 1974 and 1975 but are broken out for fiscal year 1976.

Per Capita Costs for Johnson-O'Malley Programs
Fiscal Years 1974 - 1976

Area/State	F. Y. 1974	F.Y. 1975	F.Y. 1976
ABERDEEN			
Nebraska	937.06	774.56	183.62
North Dakota	335.14	345.31	157.84
South Dakota	311.90	342.88	159.51
ALBUQUERQUE			
Colorado	331.40	325.52	183.03
New Mexico	293.72	241.35	158.97
ANADARKO			
Kansas	472.22	463.63	181.94
West Oklahoma	- 1/	134.04	141.15
BILLINGS			
Montana	138.59	165.00	186,41
Wyoming	137.47	135.27	212.03
JUNEAU			
Alaska	537.79	382.01	325.56
MINNEAPOLIS			
Minnesota	393.20	383.61	229.00
Wisconsin	200.26	251.74	210.44
Iowa	632.91	536.79	193.19
Michigan	195.36	156.11	221.52
MUSKOGEE			
Oklahoma	166.25	- 1/	- 1/
East Oklahoma	- 1/	202.43	141.15
NAVAJO			
Arizona	- 2/	257.75	167.47
New Mexico	124.88	134.97	158.97
Utah	- 2/	- 2/	149.09
Arizona peripheral	- 2/	- 2/	167.47
New Mex. peripheral	- 2/	- 2/	158.97
Utah peripheral	- 2/	- 2/	149.09
PHOENIX			
Arizona	229.06	195.88	167.47
Nevada	100.21	84.87	182.26
Utah	317.46	38.46	149.09

51-857 O - 75 - pt.3 - 57

Area/State	F.Y. 1974	F.Y. 1975	F.Y. 1976
PORTLAND			
Idaho	279.21	294.29	139.10
Washington	164.00	162.96	204.16
Oregon	69.03	68.29	217.01
SACRAMENTO			
California	120.15	180.41	194.31
EASTERN			
Florida	44.44	40.81	169.37
Mississippi	168.53	156.25	115.01
New York	-	50.00	326.43

1/ Funds split between Anadarko (W. Okla.) and Muskogee (E. Okla.) for fiscal years 1975 and 1976.

2/ These amounts were not broken out in fiscal years 1974 and 1975 but are broken out for fiscal year 1976.

JOINT EDUCATION STUDY

Senator MONTOYA. Why did it take the BIA and Office of Eduction so long to complete the education study ordered by the House committee in 1973, and why is it considered necessary now to continue that study?

Commissioner THOMPSON. Let me respond to the latter. We were mandated by S. 1017 to do another study in that area so we are complying with congressional mandate there. I will have Dr. Sockey or Dr. Benham respond to the lengths or delays on the study ordered before.

Dr. BENHAM. The study was undertaken with full fervor about a year ago at this time, Senator, in an endeavor to meet the requirements of what was wanted, and we have proceeded to carry it on with the major role in the study being assumed by the Office of Education, and the main question that was posed by the Congress, the Senate, in terms of overlapping of funds and so on still remains to be developed, and this is the background for further delving into this matter in the new study.

I don't think there is any question that the array of information collected in this study will be very helpful, but at the same time I don't think there is any doubt that additional information in terms of how these funds fit together as the Congress acts is needed.

Commissioner THOMPSON. Senator, if I may, we have also made that information available now to both committees, I believe.

OMNIBUS LEGISLATION

Senator MONTOYA. The Indian education report recommends an omnibus Indian Education Act to clarify and coordinate existing programs. When will specific recommendations for this legislation be proposed?

Commissioner THOMPSON. The Bureau of Indian Affairs has not endorsed the ACKCO report. Our analysis of the situation indicates that the problem in Indian education is administrative and not legislative and that there is no need for an omnibus piece of legislation. The Bureau feels that the U.S. Office of Education and the Bureau of Indian Affairs could develop a memorandum of understanding that would clarify the situation.

FOUR CORNERS ROADS

Senator MONTOYA. You have not requested any contract liquidating authority for the Four Corners roads, U.S. 666 and State roads 44 and 371. Explain if Federal funds are to be secured for this project amendment.

I am very mindful of the letter that was sent to Senator Randolph. Can you tell me anything new on this?

Commissioner THOMPSON. Yes; I would like to have Mr. Fleak, if I can, from the Roads Division, give an actual breakdown on these roads and their status.

Mr. FLEAK. Senator Montoya, the Senate report refers to U.S. 666 in New Mexico, and State highways 44 and 371 as an example

of Federal-Aid roads that could be included for BIA construction in Indian reservations.

The House report, the conference report, and Public Law 93-643 do not refer to these roads specifically. These roads are Federal-aid roads that could be included for construction.

There are no funds appropriated as yet. However, if the authority to obligate is received from OMB and supplemental appropriations to liquidate contract authority are received from the Congress, then the BIA would be in a position to distribute these funds.

Senator MONTOYA. Did you request any funds?

Mr. FLEAK. No, sir; not as yet.

Senator MONTOYA. Why didn't you?

Mr. FLEAK. The President's budget would have to be amended in order to request these funds, Senator.

Senator MONTOYA. Why didn't you make a request or even consider making a request before? Were you trying to effectuate a reduction from the possible requests that you had in the pipeline pursuant to authorizing legislation and this was one of the victims?

Mr. FLEAK. Yes.

Senator MONTOYA. Is that what happened?

Mr. FLEAK. The contraints under the total budget are what has kept us from requesting it, yes.

Senator MONTOYA. Have you been over these roads?

Mr. FLEAK. Yes; I have been on Route 666.

Senator MONTOYA. Do you know about the many fatalities that occur on these roads in the present conditions?

Mr. FLEAK. Yes, I am aware that there is very serious need for improvement.

Senator MONTOYA. When can we expect any action by your agency and by the administration with respect to funding and programming some kind of activity on these roads?

Commissioner THOMPSON. We note, Senator, that as Mr. Fleak points out there is no clear congressional mandate that these two roads fit under the Bureau road system.

INTENT OF ROAD AUTHORIZATION

Senator MONTOYA. There is a mandate as far as the Public Works Committee of the Senate is concerned, and we placed that interpretation in the record that that was our intent. I think it is customary for some agencies in government to take notice of the express congressional intent by either committee of Congress. That intent is not abolished or nullified by virtue of the omission of a similar congressional committee on the other side of the Capitol, which omission should not be interpreted as a nullification of the expressed intent of another congressional body. I think you are "nit picking" here.

Commissioner THOMPSON. Senator, I appreciate that, and I want to assure the Senator that we are one of the Federal agencies that do comply with congressional intent. I assure you we have been and will continue to do so.

We have a terrific backlog of road construction activity. We are up to almost full authority now under the road construction programs within the Bureau. These priorities at the time that Congress expressed an intent were not as high as some of the other priorities that we had, Senator.

We will be pleased to give that a reexamination, but we don't have any amendments now pending before the administration.

Senator MONTOYA. I wish you would give this some real consideration because we happen to differ; we in the Public Works Committee, and I serve on that committee, happen to differ with you people. We enacted this bill with this in mind, that there was a high priority existing with respect to the need for construction on these roads and the longer we delay it the more costly it will be, and we will dilute the total authorization and any possible future funding if we delay it too much. But the need is great.

One of these roads is 666 which is the road from Ship Rock to Gallup. We are just about to open the Indian irrigation project and we are going to need this road to transport a lot of produce from the Navajo Indian irrigation project, and there is going to be a great industrial development there as a result of the Navajo Indian irrigation project starting now. If we postpone programming the construction of this road for 1 or 2 or 3 years we are going to be set back quite a bit. I wish you would look at all the economic justifications for starting this and placing a high priority on this construction.

What amounts could you obligate in 1976, in fiscal year 1976 for these roads?

Commissioner THOMPSON. Bob, do you have an answer to that?

Senator MONTOYA. Assuming that you are willing to give credence, dignity and recognition to the expressed intent as enunciated by the Senate Public Works Committee.

CAPABILITY

Mr. FLEAK. Senator Montoya, the Navajo Nation will be allocated a share of the total appropriation for 1976 for road construction anticipated at a level of over $21 million, and of that the Navajo Tribe has not designated any of this money for U.S. 666 or New Mexico Highways 371 or 44. It has not come high enough on the tribal priorities to receive funding under the $21 million level.

Senator MONTOYA. I am not speaking of the budget request that you have provided for other roads in the reservation. I am asking you what can you obligate for Highway 666 outside of the present funding which you are requesting.

Mr. FLEAK. What amount we would be able to obligate considering the money were available to us?

Senator MONTOYA. Yes.

Mr. FLEAK. We could obligate the $25 million in a matter of 1 year. That would be a possibility. That is our capability as far as technical people are concerned.

Senator MONTOYA. What kind of planning have you done for this road?

Mr. FLEAK. Parts of Highway U.S. 666 and New Mexico 371 have been designed. The contracting officer for these road improvements would be the State of New Mexico Highway Department. It is a Federal-aid road on an Indian reservation and they would be the contracting officer and we would work with the State in funding this type of project.

Senator MONTOYA. In other words, they are ready for construction funding?

Mr. FLEAK. I would say the State of New Mexico is ready for some construction funding on these two roads at this time.

Senator MONTOYA. To what extent, in terms of expenditures?

Mr. FLEAK. I would have to furnish that for the record, sir.

Senator MONTOYA. Would you do that and send me a copy to my office.

Mr. FLEAK. Yes.

[The information follows:]

According to the New Mexico State Highway Department, which has primary resposibility for construction of these Federal-aid roads, the cost for improvements to meet current design standards are as follows:

U.S. Route 666	$23,400,000
New Mexico Route 371	23,850,000
New Mexico Route 44	31,400,000

Under the present budget limitations, BIA would be forced to take funds from other projects or programs in order to obligate them for construction of Federal-aid roads on reservations. This would be in conflict with the road construction priorities set by the Navajo Tribe. The Navajo Tribe has designated that the $21,776,100 tentative FY 1976 allocation for road construction be obligated to improve reservation roads other than the Federal-aid roads.

ROAD PRIORITIES

Senator MONTOYA. What priority decisions were involved in proposing an increase in your road building program while reducing building construction?

Commissioner THOMPSON. Actually, Senator, there was an increase of approximately $4 million in fiscal year 1975 for new building construction based on comparative amounts. The amount $67 million in the 1975 column of the 1976 budget and adjust for a carry-over of $32 million, less $8 million for congressional add-ons will leave a figure $27 million for new building construction in fiscal year 1975 as compared to $31 million in fiscal year 1976.

In effect, an increase was proposed for new building construction as well as for roads.

Senator MONTOYA. Please supply for the record your proposed allocation of road construction funds by reservation.

Commissioner THOMPSON. Senator Montoya, this list gives proposed allocations of obligational authority for fiscal year 1976 by agency. We have not allocated below the agency level to individual reservations at this time; that is usually done at the agency when the funds have been made available. The amounts shown at agencies are direct program amounts. General support is all shown at the central office.

Each tribe has already received the figures for his agency and area.

[The information follows:]

ROAD CONSTRUCTION

Proposed Obligational Authority,
FY 1976, by Agency
(Dollars in thousands and tenths)

ABERDEEN AREA		$ 7,545.2
Area Office	$ 262.8	
Cheyenne River	1,000.0	
Flandreau	-	
Fort Berthold	632.4	
Fort Totten	137.2	
Pine Ridge	2,066.5	
Rosebud	872.4	
Yankton	66.9	
Sisseton	126.2	
Standing Rock	953.4	
Turtle Mountain	666.7	
Winnebago (Agency)	390.4	
Crow Creek	201.3	
Lower Brule	169.0	
ALBUQUERQUE AREA		5,592.7
Area Office	418.2	
Southern Pueblos	1,177.7	
Northern Pueblos	509.3	
Southern Ute	401.5	
Ute Mountain	463.5	
Jicarilla	800.7	
Mescalero	615.4	
Zuni	595.0	
Ramah	611.4	
ANADARKO AREA		1,104.5
Area Office	247.3	
Horton	49.5	
Concho	151.2	
Anadarko	496.0	
Pawnee	65.9	
Shawnee	94.6	

BILLINGS AREA		$ 5,684.9
Area Office	$ 258.1	
Blackfeet	941.3	
Crow	824.6	
Flathead	-	
Fort Belknap	824.6	
Fort Peck	693.5	
Northern Cheyenne	600.0	
Wind River	866.4	
Rocky Boys	676.4	
EASTERN AREA		1,055.7
Area Office	46.6	
Eastern Cherokee	678.2	
Seminole (Florida)	199.5	
Mississippi Choctaw	131.4	
Miccosukee	--	
JUNEAU AREA		1,395.2
Area Office	669.3	
Anchorage	274.8	
Bethel	65.1	
Fairbanks	311.0	
Nome	-	
Southeast	75.0	
MINNEAPOLIS AREA		2,153.0
Area Office	50.0	
Sac & Fox (field office)	-	
Red Lake	583.7	
Minnesota	543.7	
Great Lakes	475.6	
Menominee	500.0	
MUSKOGEE AREA		1,776.6
Area Office	390.2	
Ardmore	134.0	
Miami	89.7	
Osage	89.6	
Okmulgee	273.5	
Tahlequah	412.6	
Talihina	317.7	
Wewoka	69.3	

NAVAJO AREA		$ 21,776.1
PHOENIX AREA		9,512.8
Area Office	$ 718.0	
Colorado River (includes Fort Yuma)	625.0	
Fort Apache	1,000.0	
Nevada	1,000.0	
Papago	1,700.0	
Salt River (includes Fort McDowell)	270.0	
Pima	857.6	
San Carlos	1,214.6	
Uintah & Ouray	353.6	
Hopi	1,000.0	
Truxton Canyon	774.0	
PORTLAND AREA		4,607.8
Area Office	260.7	
Colville	706.2	
Fort Hall	428.7	
Northern Idaho	349.0	
Umatilla	-	
Warm Springs	739.0	
Western Washington	620.0	
Yakima	944.2	
Spokane	561.0	
SACRAMENTO AREA		1,162.0
Area Office	70.0	
Central California	342.3	
Hoopa	248.0	
Palm Springs (field office)	-	
Southern California	501.7	
CENTRAL OFFICE		3,338.5
Operations	428.0	
General Support, All locations	2,910.5	
GRAND TOTAL, B.I.A. BUDGET		$ 66,705.0

VOTING RECESS

Senator MONTOYA. We have a vote on the floor and I have to leave. I want to come back and try to finish by 12:30 because I have to chair an HEW Subcommittee Appropriation meeting this afternoon. I will return immediately as soon as I vote. We will recess now.

[Recess.]

Senator MONTOYA [resuming]. The subcommittee will come to order.

CAREER DEVELOPMENT

Senator MONTOYA. Your justifications never explain exactly what the requested $283,000 increase for career development is needed for. In a $54.5 million program, that is not even enough to cover cost increases, is it?

Commissioner THOMPSON. The net increase will provide for an additional 74 adult vocational trainees. This increase did not consider cost increases as it was based on tribal priorities in the band analysis.

Senator MONTOYA. How does the separately-provided Indian action team funding relate to your vocational program under this education activity?

Commissioner THOMPSON. Indian action team program funding does not relate to adult vocational training. The Indian action team program is a reservation program. It is a contract between the Bureau of Indian Affairs and the tribes.

Indian action team program is a reservation-based program benefiting Indian people with skills training; strengthening of tribal government; projects completed as a result of the on-the-job training; development of management capability leading to increased capability to contract for Bureau of Indian Affairs services in accordance with the Indian self-determination concept; attracting additional funds from other agencies; development of tribal enterprises, whether they be commercial or limited to revenue producing activities on reservations. This type program directly benefits individuals and the tribe in general.

Senator MONTOYA. Your justifications provide no breakdown of the career development funding. How much is for adult vocational education, how much for college scholarships? How do your 1976 estimates compare with the 2 prior years?

Commissioner THOMPSON. We will supply the breakdown of career development funding.

[The information follows:]

	Fiscal year—		
	1974	1975	1976
Higher education	22,756,000	32,046,000	31,956,000
Adult education	2,104,000	2,666,000	2,683,000
AVT	18,070,000	19,684,000	20,040,000
Total	42,930,000	54,396,000	54,679,000

SCHOLARSHIP FUNDING

Senator MONTOYA. Your justifications are also silent on how college scholarship support is being allocated. Supply the breakdown

for regular scholarships and special scholarships, the number of students to be assisted, and so forth.

Commissioner THOMPSON. In fiscal year 1976, of the $31,956,000 requested only a small amount is reserved in the central office for special scholarship projects. These include the American Indian law program, $678,000 and the Indian school administrators' program, amount to be determined. All of the rest of the funds are allocated to area offices for higher education assistance, excluding $1,137,000 which is used for general Bureau administrative expenses.

SOCIAL SERVICES

Senator MONTOYA. Under Indian Services your $2.2 million increase for social services is partly based on a 16 percent increase in welfare unit costs. Why has this gone up so sharply?

Commissioner THOMPSON. Yes, the increase gain referred to is in the Child Welfare portion of social services. This consists of foster and institutional care for children who cannot be cared for any other way. The rapid cost rise is largely due to increases in the charges for institutional care. It represents what it will cost for allowances to foster parents and to meet the bills from institutions for the care of 3,200 children per month in fiscal year 1976.

BURIALS

Senator MONTOYA. You list a large increase for burials of indigent Indians dying in Public Health Service hospitals. Who financed these burials previously?

Commissioner THOMPSON. These burials would have been paid for by the Indian Health Service. We have entered an agreement with IHS to assure the cost for two basic reasons. First, it will enable all families of deceased indigent Indians to deal with one agency as regards to burial arrangements. This will lead to less confusion at a very sad time. Second, IHS felt that their appropriations were intended only for medical purposes and that they really should not use portions of the fund for burials.

LAW ENFORCEMENT

Senator MONTOYA. The largest increase under Indian Services is for law enforcement, up 34 percent from 1975. But we have already heard complaints that this increase is to meet expanded needs and provide equitable law enforcement assistance. Is any effort being made to obtain a budget amendment for more law enforcement funding?

Commissioner THOMPSON. Yes, Senator, a very strong effort is being made. Last January the Department forwarded to OMB, along with a strong letter of support, a Bureau proposal for fiscal year 1976 budget amendment of $11 million for law enforcement. It is currently under consideration there.

If approved, this amendment will partially implement the recommendations of the Indian Criminal Justice survey, a copy of which I believe has been sent to the committee staff.

RETROCEDED AREAS

Senator MONTOYA. Of the law enforcement increase, $1.4 million is for retroceded areas in Nevada, Michigan, and Minnesota and for new responsibilities in the Navajo-Hopi joint use area. Detail how that increase is distributed and indicate total funding for each area.

Commissioner THOMPSON. This increase will be distributed on the basis of need. The law enforcement staff considers several basic factors such as population, area of coverage, and crime rate in determining need. Based on these factors the Navajo-Hopie would require $630,000, Nevada would get $530,000, with National Parks in Minnesota getting $92,000, and Michigan $228,000.

TRIBAL EQUITY

Senator MONTOYA. An increase of $1.2 million is to begin giving funding equity to tribal law enforcement programs. Detail how the increase will be distributed.

Commissioner THOMPSON. As you know, Senator, there are cases where tribes out of their own tribal funds pay for law enforcement programs which on other reservations are paid by the Bureau. Obviously this is not equitable. As a first step toward obtaining equity among all tribes the Bureau has requested $1,250,000 to replace approximately 15–25 percent of this tribal funding. The intent is to offer each tribe a contract for some distinct portion of their law enforcement programs such as jail operations up to 25 percent of what they were currently paying themselves. This would apply only to tribes already funding their own law enforcement programs.

Senator MONTOYA. Please furnish for the record a listing of tribal law enforcement costs and amounts of BIA assistance programed to each tribal area for fiscal 1975 and 1976.

Commissioner THOMPSON. The estimate of $1,250,000 for assistance to tribes to achieve equity in law enforcement funding is derived from the Indian Criminal Justice Survey. At the time the study was completed the best data we have on tribal budgets was for 1973 and amounted to $5 million of exclusively tribal funds. However, since then we have more recent tribal data for 1975. We do not have tribal projections for 1976. I have a table showing by tribe the 1973 budget, the latest 1975 tribal estimates, and what Bureau assistance would be provided during fiscal year 1976 as a step toward law enforcement funding equity. The following table, Senator, is submitted for the record.

[The information follows:]

Equitable Funding for Law Enforcement
$000

Tribe	FY 1973 Tribal Funds	FY 1975 Tribal Estimates	Propire FY 1976 BIA Share
Cheyenne River	119	158	27
Crow Creek	4	11	2
Ft. Berthold	18	4	1
Ft. Totten	-0-	18	3
Lower Brule	6	87	15
Pine Ridge	81	85	14
Rosebud	20	-0-	-0-
Standing Rock	-0-	32	5
Turtle Mountain	20	32	5
Winnebago	-0-	6	1
Yankton	-0-	14	2
Blackfeet	120	279	48
Crow	87	104	18
Flathead	93	139	24
Ft. Belknap	5	5	1
Ft. Peck	68	81	14
Wind River	3	-0-	-0-
Northern Cheyenne	69	120	20
Rocky Boy	-0-	5	1
Red Lake	35	180	32
Colorado River	79	146	25
Ft. Mohave		4	1
Ft. Apache	136	273	47
Hopi	-0-	127	23
Duck Valley	-0-	33	6
Fallen Colony	-0-	22	4
Ft. McDermitt	-0-	8	1
Goshute	8	19	3
Las Vegas Colony	-0-	2	1
Pyramid Lake	-0-	24	4
Moapa	-0-	5	1
Walker River	-0-	9	2
Papago	93	251	44
Ak-Chin	95	35	6
Gilu River		135	23
Salt River	79	144	24
Ft. McDowell		16	3
San Carlos	19	92	16
Hualupai	57	29	5
U&O	136	221	38
Ute Mountain	100	-0-	
Jicarilla	110	180	31
Zuni	12	-0-	
Mescalero	20	80	14
Southern Pueblos	51	95	16
Northern Pueblos	6	-0-	
Southern Ute	40	-0-	
Navajo	2900	2969	505
N. Idaho	16	28	5
Ft. Hall	61	119	20
Yakima	172	417	71
Spokane	33	56	9
Warm Springs	20	333	58
Port Gamble	-0-	25	4
Puyallup	-0-	17	3
Choctaw	82	22	4
TOTAL	5,073	7,296	1,250

INDIAN HOUSING

Senator MONTOYA. Does the $1.1 million increase for housing reflect Indian priorities?

Commissioner THOMPSON. Yes; the funding for housing was included in the band analysis and Indian tribes were able to establish their priority under various funding levels. The $1.1-million increase represents their collective priority for housing within the total Bureau budget under consideration for fiscal year 1976.

Senator MONTOYA. How many new and renovated homes are estimated for 1976, including HUD-assisted housing?

Commissioner THOMPSON. We are estimating that the proposed Bureau budget of $14.3 million would provide for 400 new homes and 2,250 renovated homes in 1976. The effort will come from HUD which has committed 6,000 new homes for 1976.

INDIAN ACTION TEAMS

Senator MONTOYA. The biggest portion of your requested increase for Tribal Resources Development is for Indian Action teams—up $11 million. This is a distinct policy shift from last year, when you wanted to phase out Indian Action Team contracts. What is responsible for this change in policy?

Commissioner THOMPSON. Increase in demand by tribes nationwide; notification by tribes to congressional representatives to retain the IAT program; support evidenced by two National Indian Organizations by resolution—National Congress of American Indians and National Tribal Chairmen's Association that the Indian action team program be retained as a definite tool for implementation of Indian Self-Determination; tribal notification that Indian action teams be administered from a central location in Denver; and change in BIA administration more sensitive to the needed program goals of Indian people.

Senator MONTOYA. What 15 additional reservations will benefit from Indian Action Team expansion?

Commissioner THOMPSON. By April 24, 1975, specific reservations will be identified and selections for contracts will be made.

There were 31 Indian action team contracts in fiscal year 1975. Numerous additional proposals for fiscal year 1976 funding have been received. Many proposals involve more than one tribe. Additional proposals are being received daily. Requested funding plus joint arrangements with Departments of Labor and Health, Education, and Welfare will permit approximately 60–65 contracts in fiscal year 1976, covering about 200 Indian tribes nationwide.

Senator MONTOYA. Please detail the Indian Action Team program for the record—breaking down allocation by dollar amount, by numbers of persons benefiting, by reservation.

Commissioner THOMPSON. Approximately 10,000 Indians directly benefited from the program in fiscal year 1975. In fiscal year 1976, given the requested funding, direct benefits will be derived by approximately 30,000 to 35,000 American Indians. I submit for the record the detail list of fiscal year 1975 Indian action team program.

[The statement follows:]

Aberdeen Area	
1. Standing Rock Sioux Tribe:	$252,166
2. Oglala Sioux Tribe:	$720,000
3. Three Affiliated Tribes of F. Berthold:	$246,970
4. Lower Brule Sioux Tribe:	$246,970
5. Sinte Gleska College Center:	$137,909
Anadarko Area	
1. United Tribes of Kansas & Southeast Nebraska:	$233,623
2. Cheyenne & Arapahoe Tribes of Oklahoma:	$280,862
3. Central Tribes of the Shawnee Area:	$450,000
4. Southwest Oklahoma Inter-Tribal Association, Inc.:	$493,940
5. Kickapoo Tribe of Kansas:	$246,970
6. No. Central Inter-Tribal Council of Oklahoma:	$630,000
Minneapolis Area	
1. Keweenaw Bay Indian Tribal Council:	$140,430
2. Minnesota Chippewa Resource Dev., Inc.:	$561,725
3. Bad River Band of Chippewa Indians:	$246,970
4. Red Lake Chippewa Tribe:	$493,940
Muskogee Area	
1. Cherokee Nation of Oklahoma:	$392,240
2. Creek Nation of Oklahoma:	$450,000
3. Seminole Nation:	$246,970
Albuquerque Area	
1. Northern Pueblos Enterprises, Inc.:	$512,240
2. Zuni Pueblo:	$329,293
Billings Area	
1. No. Cheyenne Resource Development, Inc.:	$392,240
Juneau Area	
1. Kenai Natives Association, Inc.	$454,000
Phoenix Area	
1. Salt-River Pima-Maricopa Indian Community:	$252,166
2. Washoe Tribe of Nevada and California:	$329,293
3. Yavapai-Apache Tribe:	$164,647
Portland Area	
1. Colville Confederated Tribes:	$392,240
2. Spokane Tribal Resources Dev. Enterprises:	$270,000
3. Coeur d'Alene Tribe:	$246,970
4. Yakima Nation:	$411,617
Sacramento Area	
1. San Diego County Tribal Chairman's Assoc., Inc.:	$238,201
2. Wenepem-Maidu, Inc.:	$140,430
TOTAL:	$10,605,022

INDIAN ACTION TEAM PROGRAM

Senator MONTOYA. Why are you shifting nearly $6 million to the Indian Action team program from your road construction and education programs?

Commissioner THOMPSON. In fiscal year 1975, $838,000 of adult vocational training funds are being used to fund vocational training under the Indian action team approach. In addition, $5,100,000 of road construction funds are being used for road construction work being done under the Indian Action team approach. In fiscal year 1976, the $838,000 of AVT funding is being maintained in the proposed funding for Indian action teams. The fiscal year 1975 road construction funding is being withdrawn from the Indian Action team approach and is returned to the continuing road construction program. The shifting of funding to the IAT approach in 1975 was done to adequately fund this new and popular approach to training and construction work.

FORESTRY AND AGRICULTURE

Senator MONTOYA. You list a 12-percent increase for forestry and agriculture—up nearly $3 million. Please submit a statement displaying how this program funding is allocated among the three subactivities in your justification—forestry, agriculture and wildlife and parks.

Commissioner THOMPSON. The allocations for those subactivities are: $9,087,900 for forestry, which includes a token appropriation of $800,000 for fire suppression and emergency rehabilitation; $16,777,700 for agriculture, which includes range and soil and moisture conservation; and $587,400 for wildlife and parks.

BOLDT DECISION

Senator MONTOYA. Last year the committee recommended additional funding in connection with the Washington State Indian treaty fishing rights case, the so-called Boldt decision. What amounts are recommended in this budget in connection with that responsibility?

Commissioner THOMPSON. A total of $1,255,000 distributed among Bureau activities as follows: Tribal government services, $245,000; law enforcement, $717,000; and rights protection, $293,000.

INDIAN RIGHTS PROTECTION

Senator MONTOYA. Under trust responsibilities, why do you require a $1 million increase—up 30 percent—for Indian rights protection? Specifically, what is involved in this increase?

Commissioner THOMPSON. It is becoming increasingly important that the Indian water rights be quantified as soon as possible. This has come about because of the demand on the use of water for energy, irrigation, and municipal and industrial use by both Indian and non-Indian interests. The increase requested will not accomplish all that is required, but it will enable the Bureau to increase the number of water rights inventories which are vital to protect the rights of Indians to the use of water on their reservations. Approximately 35 new inventories can be initiated this year with the requested increase.

TRUST SERVICES

Senator MONTOYA. How will the nearly $2 million increase for real estate and financial trust services be applied since there is no increase in positions? Is it all contracted?

Commissioner THOMPSON. The increase for real estate and financial trust services is proposed at $1,195,000; and, yes, the major portion is for contracting for services. It is proposed to contract $945,000 for much needed real estate appraisals, particularly in those local areas having a large caseload of new agricultural leases or renegotiation of expired lease. Professionally qualified appraisers will be utilized. There are funds proposed for the expanded Hopi-Navajo program, $14,000; acquisition of improved accounting equipment for the financial trust services operation, $70,000; and $166,000 to annualize the Federal civilian pay raise.

MANAGEMENT AND FACILITIES

Senator MONTOYA. Under management and facilities operation you request a 10-percent increase of nearly $6 million for managing new facilities, yet you request no additional positions. How will the money be spent?

Commissioner THOMPSON. The $6 million increase requested in fiscal year 1976 will provide $977,000 for operation and maintenance of newly constructed facilities; $3,065,000 for increased cost of labor, material, fuel, utilities and service for operation and maintenance of existing facilities; $599,000 for annualization of pay costs due to to Executive Order 11811; and $1,277,000 is for space provided by GSA.

There will have to be some contracting for services without an increase in positions.

Senator MONTOYA. Generally, what are the new facilities? Are they mainly schools?

Commissioner THOMPSON. Yes, Senator, they are schools.

PERSONNEL AND CONTRACT ESTIMATES

Senator MONTOYA. Your personnel summary for your operating account shows an estimate of 13,721 permanent positions and an average employment of 14,052. How firm are those estimates?

Commissioner THOMPSON. Senator, I will have to go with those figures as they are based on the best information we have available.

Senator MONTOYA. Your object classification for the operating account shows a $1.1 million reduction in other services, which is mainly contracts. Does this mean you anticipate less Indian contracting in 1976?

Commissioner THOMPSON. We do not anticipate any less Indian contracting in 1976, however, some of this object group has been moved to the grants object because of the new granting authority.

GRANTS

Senator MONTOYA. What is involved in the $43.5 million increase in the grants, subsidies, and contributions object class? This is a substan-

tial increase in itself and amounts to almost $70 million above the 1975 estimate in your original budget submission last year.

Commissioner THOMPSON. We anticipate an accelerated grant program due to the new granting authority now available to us. Amounts have been moved from other services to this object for that purpose.

1975 BUDGET CHANGES

Senator MONTOYA. Both your object classification and personnel summary for fiscal 1975 underwent considerable change between your original submission last year and the estimates for 1975 included in this year's budget submission. At the staff's request you provided statements explaining these changes, and these statements will be included in the hearing record. In addition, please provide a summary statement of 1975 appropriations by activity and subactivity showing the actual 1975 appropriation and the amounts listed for 1975 in your 1976 justifications. Explain all changes.

Commissioner THOMPSON. Since reductions for fiscal year 1975 were effective June 30, 1975, we will have no update on this information until June 30 reports are available.

Senator MONTOYA. In that case please see that this information is submitted to the Committee at the earliest date it becomes available. Meanwhile, the comparative statements you supplied will be included in the record.

[The information follows:]

AUTHORIZED POSITIONS FISCAL YEAR 1975

Fiscal Year 1975 budget versus Fiscal Year 1976 budget

Fiscal Year 1975 bduget	13,002
Fiscal Year 1976 budget	13,721
Increase	+719

The FY 1975 budget indicated a reduction of 1,171 authorized positions over the FY 1974 level based upon programs being contracted to the Indian Tribes. The FY 1974 positions totaled 14,173 and the estimated FY 1975 positions totaled 13,002. Actual tribal contracting has not materialized at the rate initially anticipated and the FY 1976 budget reflects that the reduction of 1,171 has been reduced by 454. In addition, 265 new positions have been authorized indicating a total of 719 increase over the original FY 1975 budget.

COMPARISON OF FY 1975 OBJECT CLASS DETAIL

Object Class	Description	FY 1975 FY 75 Budget	FY 1975 FY 76 Budget	Diff.
	Direct obligations:			
	Personnel compensation:			
11.1	Permanent positions	143,052	159,604	16,552
11.3	Positions other than permanent	13,600	13,518	-82
11.5	Other personnel compensation	4,668	4,930	262
11.8	Special personal services payments	920	1,700	780
	Total personnel compensation	162,240	179,752	17,512
12.1	Personnel benefits: Civilian	16,235	17,975	1,740
13.0	Benefits for former personnel	---	---	---
21.0	Travel and transportation of persons	10,000	9,519	-481
22.0	Transportation of things	5,000	4,000	-1,000
23.0	Rent, Communications, and utilities	14,769	10,070	-4,699
24.0	Printing and reproduction	950	600	-350
25.0	Other services	126,981	113,120	-13,861
26.0	Supplies and materials	35,500	35,020	-480
31.0	Equipment	5,000	5,900	900
32.0	Lands and structures	300	---	-300
41.0	Grants, subsidies, and contributions	80,000	106,381	26,381
42.0	Insurance claims and indemnities	---	---	---
	Subtotal	456,975	482,337	25,362
95.0	Quarters and subsistence charges	-3,168	-3,205	-37
	Total direct obligations	453,807	479,132	25,325

Comparison of FY 1975 Object Class Detail as reflected in FY 1975 and FY 1976 Budget

Object Class	1975 Budget vs 1976 Budget ($000)	EXPLANATION
11.1	+ 16,552	Increased pay cost $9,318; New positions (265) 3,195 Restoration of position due to lack of contracting and also mandatory step increases on base positions 4,039
11.5	+ 262	Increased pay cost in both wage boards and classified positions.
11.8	+ 780	Mostly paid to fire fighters and such emergency requirements. The actual cost in FY 1974 was $1,679 as opposed to the FY 1975 budget estimated at $920 and the FY 1976 budget adjusted to $1,700.
12.1	+ 1,740	Increased wages and salaries as well as increased numbers caused this object class to go up.
21.0	- 481	Congress in FY 1975 cut the travel of the Bureau $826 from the estimated $10,000 to $9,174. Due to the Indian Fishing Rights ammendment, the travel object class was increased by $20. P.L. 93-554 reduced the travel to 95% of the amount requested in the FY 1975 budget as ammended, i.e. 95% X $10,020 = $9,519.

DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS

Comparison of FY 1975 Object Class Detail as reflected in FY 1975 and FY 1976 Budget

Object Class	1975 Budget vs 1976 Budget ($000)	EXPLANATION
		Therefore, the amount shown for travel for FY 1975 in the FY 76 budget is $9,519 or $481 less than the original amount of $10,000 estimated in the FY 1975 budget.
22.0	- 1,000	The FY 1975 amount has been revised to reflect a more realistic estimate based on actual obligations for FY 1974. The FY 74 actual was $3,873.
23.0	- 4,699	The original FY 1975 estimate of $14,769 has been revised to reflect a more realistic estimate based on actual obligations for FY 74. Obligations for FY 74 totalled $8.3 million; the anticipated increase of $1.7 million can be attributed to rising utility costs and the cost of new facilities.
24.0	- 350	The FY 1975 figure has been revised based on actual FY 74 obligations. In reality the $600 reflects a marginal increase over actual FY 74 obligations which totalled $501.
25.0	- 13,861	Revised to reflect a more realistic estimate based on actual FY 74 obligations which totalled $110,993. Implementation of tribal contracting has not been as rapid or as extensive as initially anticipated. The $113,120 projected for FY 1975 reflects a marginal increase of $2 million.
26.0	- 480	The slight change, which is still an estimate, has no greate significance.
31.0	+ 900	Revised to reflect a more realistic estimate based on current needs.
32.0	- 300	The amount projected in the Fy 75 request was in error. There should be no obligations for acquisition of lands or structures under this appropriation.
41.0	+ 26,381	The increase in grants and subsidies is estimated based on increases in programs of which the major portion of obligations are of a grant or subsidy nature. These program increases are as follows: Indian Business Development Fund $10.0 million; Career Development $8.5 million; Aid to Public Schools $6.3 million; and Social Services $7.4 million.

TRANSITION PERIOD

Senator MONTOYA. Your request for the July–September transition period, $163.1 million, is considerably higher than one-fourth your 1976 estimates. In many cases the seasonal nature of programs requires accelerated spending, but not always. Why, for instance, are the trust responsibility and management activities running far above one-fourth the annual rate?

Commissioner THOMPSON. The above one-fourth annual rate for trust responsibility programs during the transition period is based on accelerated spending during the summer months for resource surveys and investigations, particularly those dealing with water and fishing rights; and for cadastral surveys. Management activities are running at above the one-fourth of fiscal year 1976 estimates because favorable weather conditions in the summer permit greater than average program activity during this period.

BIA CONSTRUCTION PROGRAM

Senator MONTOYA. Your overall construction request is down by $36.2 million from the 1975 program mainly in buildings and utilities. Is this cutback a result of Indian priorities or OMB restraints?

Commissioner THOMPSON. If I may, Senator, I will have Dr. Benham or Dr. Sockey or Mr. Dudley respond.

Mr. DUDLEY. Senator, it is my recollection that the request for construction this year is essentially in the same amount as last year. I didn't realize it had been reduced. We have, for example, a request for a total new construction of approximately $25 million with approximately $6 million for our major alterations and improvement program, or a total of $31 million, which is, I think, very close to what it was last year.

Mr. SYKES. I am Assistant Director of Financial Management. The page that you were looking at that shows the minus $36 million, shows that way because the $67 million that we start off with, $67 million in 1975, includes a lot of carryover money that was unobligated, and Mr. Dudley is right. The amount for new obligations in 1976 is essentially the same as it was in 1975.

Senator MONTOYA. Is your obligation program down, then?

Mr. DUDLEY. Our obligations have been running rather substantially the same, but we have a great deal of carryover money. We have projects that are ongoing, for example, but for which the funds have not been obligated. So, we have some projects that are carryovers from previous years.

Senator MONTOYA. What was your obligation program for this current year? Was it $97 million?

Commissioner THOMPSON. It was $97,608,000 for 1975.

Senator MONTOYA. And available for obligation in the next fiscal year already $61.54 million, so you do have an obligation reduction of $36.2 million.

Commissioner THOMPSON. Except the $35 million was the amount carried over from 1974 and 1975. We will probably carry over some money from 1975 to 1976.

Senator MONTOYA. Not as much, though.

Commissioner THOMPSON. Not as much, yes.

Senator MONTOYA. You have a request for $673,000 for design of new projects. And you also have a backlog in construction of already designed projects. Is it your desire to keep the pipeline fluid by way of keeping design projects on line?

Commissioner THOMPSON. Senator, as you know, we have the phasing program. In one appropriation year we go for planning money, the next year design money, and the third year, hopefully, to construction funds, so in each activity we would have a continuing ongoing pipeline because of the backlog in construction needs.

CONSTRUCTION CAPABILITY

Senator MONTOYA. What is the number of projects and their estimated construction cost that are planned and designed and ready for construction if funds were available?

Mr. THOMPSON. I will submit a list of projects that could be started in the next 2 months.

[The information follows:]

Project	State	Estimated cost
S.I.P.I Compl	New Mexico	$8,000,000
Pine Ridge High School	South Dakota	10,200,000
San Felipe	New Mexico	4,600,000
Haskell student center	Kansas	1,500,000
Haskell dormitories	do	3,000,000
Seneca school	Oklahoma	6,900,000
Phoenix auditorium-pool	Arizona	3,200,000
Chemawa High School, phase I	Oregon	[1] 10,057,000
Financial aid projects (needs authorizing language):		
Ramah School	New Mexico	5,400,000
Rough Rock	Arizona	4,000,000
Total		56,857,000

[1] Design will be complete July 1975.

NAVAJO IRRIGATION PROJECT

Senator MONTOYA. Most of your construction request for irrigation works is for the Navajo irrigation project, $22.8 million. Please highlight your 1976 program and indicate how much has been spent to date on the project.

Commissioner THOMPSON. Allotments to date are $86,398,385. I also submit for the record highlights for 1976 programs.

[The information follows:]

WORK PROPOSED—FISCAL YEAR 1976

NAVAJO INDIAN IRRIGATION PROJECT, $22,846,500 [1]

Pumping plants, $10,000.—Provides for collection of field design data.

Canals, $16,496,000.—Construction of Main Canal Mi. 20.9–26.4 and Mi. 32.8–41.8, will be completed. Also scheduled to complete are the natural gas engine-driven pumping units as well as pipelines to furnish natural gas for these units and the power generators to serve Block 1 and 2 lands. Construction will con-

[1] Includes a non-Federal advance of $46,500 in fiscal year 1976 from El Paso Natural Gas Company to cover additional costs due to change in the Main Canal alinement to accommodate the company's pipeline facilities.

tinue on Mi. 41.8–46.3 of the Main Canal and on 14.5 miles of the Gravity Main Canal. Various contracts for relocation, modification of oil and natural gas pipelines and utility lines will also be executed.

Laterals, $3,700,000.—Construction of the closed pressure pipe distribution system to provide water for irrigating Block 1 lands, will be completed. Construction of the closed pipe distribution system will be initiated to provide water for delivery to Block 2 lands. Various contracts for relocation, and modifications of oil and natural gas pipelines and appurtenant facilities crossing right-of-way will also be executed. Collection of field design data will continue.

Drains, $1,100,000.—Construction of the collector drains for each block of lands is included in the contracts for construction of the lateral distribution systems. Collection of field design data will continue.

Navajo Dam Powerplant, $1,200,000.—The electric power requirements for operation of the Project pumping facilities will be fulfilled in part by a 23,000 KV hydroelectric powerplant at Navajo Dam. To have power available to meet pumping power requirements for irrigation of Project lands lying above the Main Canal, a contract for the construction of the power facilities will be awarded in fiscal year 1976.

Power transmission system, $160,000.—The project's power transmission system will transmit the electric power from the power source to pumping facilities. Part of the Power Transmission System is the Navajo Dam Powerplant Switchyard which will be constructed under the same contract awarded for construction of the powerplant. A supply contract for acquisition of two transformers to be installed in the Navajo Dam Switchyard will be awarded. Collection of field design data will continue.

Other project costs, $340,500.—Represents costs for continuation of a program for developing a plan for settlement by the Navajos, for custodial operation and maintenance of completed project facilities, and construction of roads and bridges.

Consolidated expenditures and credits, $160,000.—Represents Bureau of Indian Affairs reimbursements for construction of project roads and bridges and non-appropriation cost transfers for Field Solicitor charges and miscellaneous items funded by other sources.

PROJECT OPERATING COSTS

Senator MONTOYA. What is the total in your operating account for the Navajo irrigation program?

Commissioner THOMPSON. The total amount included in the tribal resources development portion of the budget request for the Navajo irrigation program is $2.1 million. This includes the following: Forestry and agriculture, $1,400,000, for on-farm development; minerals, mining, irrigation and power, $700,000 to maintain project facilities. That is for a total of $2,100,000.

OBLIGATIONS

Senator MONTOYA. Your justifications indicate no unobligated balances at the end of fiscal years 1975 and 1976. Is that still your best estimate?

Commissioner THOMPSON. Senator, we expect to fully utilize all funds that are in trust responsibilities in both fiscal years 1975 and 1976.

Senator MONTOYA. With a reduced construction program, why haven't you reduced your travel and transportation estimates as well?

Commissioner THOMPSON. No reduction has been made in the fiscal year 1976 construction appropriation, it is essentially the same as fiscal year 1975. We have, for example, a request for a total new construction of approximately $25 million with approximately $6 mil-

lion for our major alteration and improvement program, or a total of $31 million, which is very close to what it was last year.

TRANSITION PERIOD CONSTRUCTION

Senator MONTOYA. Your $5.5 million request for buildings and utilities in the July–September transition period appears to represent still another reduction. Why is this request so restrained when it covers the peak construction season?

Commissioner THOMPSON. Appropriated funds are usually not made available in July and August. Continuing legislation is provided for normal operation of programs but does not provide obligational authority for new starts. Therefore, only a portion of the construction that could be obligated and underway in a few weeks was considered during the transition period.

NAVAJO COMMUNITY COLLEGE

Senator MONTOYA. I am very interested and concerned about the Navajo Community College. What are we doing about that now? The proposed budget is $2,058,000.

Commissioner THOMPSON. That's correct.

Senator MONTOYA. And it is the same amount as for fiscal year 1975, the current fiscal year. Now, inflation has set in on much of this and people are entitled to an increase in salary by virtue of the Pay Act and so forth. Why is the budget the same when the enrollment has really increased substantially?

Commissioner THOMPSON. Two things I would like to report on the Navajo and I will ask Dr. Sockey to respond to the question on the $2 million. But from a construction point of view I think we have appropriated all the money that had been authorized by Congress, $6.5 million, so we are tracking Congress very well there.

Let me have Dr. Sockey respond to why we have some $2 million in operational funds.

Senator MONTOYA. Before he answers this question, I am going to pose this, because I did not go into this. The per pupil cost at Haskell is $4,700 and the per pupil cost at Navajo College is $2,058. Why is Navajo College being orphaned on funds in light of your experience at Haskell? I can't understand that.

Dr. SOCKEY. Mr. Chairman, on the first question there is some $6.1 million requested for higher education for the Navajo Tribe. Within this appropriation the college or the tribe, that is, can allocate the moneys or expend the moneys in accordance to tribal wishes. They have indicated a need for some $2.058 million for the operation of the Navajo Community College. They can alter this amount. This is on a projected need basis and this amount can be altered as they move toward the operation of the given school term.

Senator MONTOYA. But it is the same as this current fiscal year's appropriation, $2.058 million.

Dr. SOCKEY. That is based on 1,000 full-time students.

Senator MONTOYA. That's right. But there are more students than this, aren't there?

Dr. SOCKEY. According to information we have they haven't reached that number yet, Mr. Chairman.

PER PUPIL COST

Senator MONTOYA. But anyway the per pupil cost is $2,058 and Haskell Junior College the per pupil cost is $4,700. Why this rank discrimination?

Dr. SOCKEY. Honestly, Mr. Chairman, I don't have an answer to that. I wasn't aware that there was that great a discrepancy.

Senator MONTOYA. Yes; there is, and I have known it for a whole year, and I think we better try to equalize the per pupil expenditure at these colleges.

Dr. SOCKEY. I certainly concur.

Senator MONTOYA. Or maybe you are in favor of putting Haskell at $2,058 on a per pupil cost basis. Are you willing to do that?

Dr. SOCKEY. No, sir, I think funding should be upward rather than downward.

Senator MONTOYA. My father went to Haskell. I wouldn't do that to Haskell.

I am going to tell you how my father went to Haskell. We lived between the Pueblos of Santo Domingo and Cochiti, N. Mex. There was only a grade school in the community in which we lived, and my father was not Indian, and so every year in September he would watch the Indians go to the railroad station and be placed on a train destined for Lawrence, Kans. He knew what they were going there for, so when he got ready to go to high school he just got in with these Indians, got on the train, and went into Haskell. In those days they had no regulations to check them, so he signed up and he stayed there for 4 years.

Dr. BENHAM. Senator, I think the difference here is not in the per capita computation but in the number of students that are being served, and we will certainly check into that to see just exactly what it is, but we are carrying it out exactly as the act provided it in terms of comparability and so on.

Senator MONTOYA. Would you check and see whether my fears are well founded as to whether or not this per pupil expenditure is adequate to take care of their needs for the next fiscal year?

Dr. SOCKEY. I will be glad to.

Senator MONTOYA. And send it to me before we mark up the bill.

Dr. SOCKEY. Yes.

Senator MONTOYA. And give me a comparison with Haskell.

Dr. SOCKEY. Yes.

Senator MONTOYA. And also submit it for the record.

Dr. SOCKEY. Yes.

[The information follows:]

Haskell Indian Junior College has received $4,958,000 in Fiscal Year 1975 for their total operations under the Bureau of Indian Affairs. Enrollment for the first semester was 1,154 students for an average cost of $4,296 per pupil.

Navajo Community College full-time-equivalent (FTE) enrollment for the first semester of Fiscal Year 1975 was 434. Assuming an FTE enrollment of 500 in Fiscal Year 1976, an allocation of $2,058,000 would amount approximately to $4,116 per pupil.

If enrollment doubles in Fiscal Year 1976 to 1,000 FTE students as projected by the College the allocation would be $2,058 per pupil, which the Bureau agrees would be inadequate to meet the needs.

Senator MONTOYA. You are right, the law creating the Navajo Community College suggests there should be equity in the annual appropriation between NCC and federally operated institutions of the same type. That is specific in the law. Is Haskell Junior College the only such institution besides the Navajo Community College, or are there others?

Dr. SOCKEY. It is the only one, sir.

Senator MONTOYA. Is it not true that Navajo Community College must pay for maintenance and other costs which Haskell does not have to bear?

Dr. SOCKEY. No, sir, I don't believe it is.

Senator MONTOYA. Check that, will you?

Dr. SOCKEY. Yes.

[The information follows:]

The Bureau is not aware that the Navajo Community College has items of cost that Haskell Indian Junior College does not incur, including maintenance. It is true, however, that because of the isolated location of Navajo Community College transportation and freight costs are higher. Also, because of the isolation factor price variances of goods and services disfavor Navajo Community College.

RED ROCK SCHOOL

Senator MONTOYA. Will you please give the subcommittee your evaluation of the Red Rock School?

Commissioner THOMPSON. Rough Rock?

Senator MONTOYA. Red Rock. I understand the building was originally constructed in 1935, was enlarged by the erection of three quonset huts in 1964, and a kindergarten has been added more recently. Most of the facilities are very old and are reported to be in very bad condition. I was traveling through that area and was apprised of that situation.

Could the Bureau use any money for the design work on the school?

Dr. BENHAM. Yes, the description you gave of the Red Rock School is an accurate description. It was built during that particular era of school construction and with additions in the interim years such as the kindergarten that you spoke of, Senator.

There is, as you have found out, I am sure, a great deal of interest on the part of the Red Rock community in additional or new school construction. There has been no design work on the Red Rock School because, in terms of the priority listing for schools, Red Rock has had, you know, low priority in terms of number of students to be served and so on.

Senator MONTOYA. How many students do they have?

Dr. BENHAM. My recollection is it serves 90 students, exclusive of the kindergarten.

Senator MONTOYA. Where would these students have to go if there was no Red Rock School?

Dr. BENHAM. They would go to St. Augustine.

Senator MONTOYA. How far is that?

Dr. BENHAM. St. Augustine would be something like 25 miles.

Senator MONTOYA. Over roads that are almost impassable, right?

Dr. BENHAM. Yes; sometimes.

Senator MONTOYA. So is there a need for this school at Red Rock?

Dr. BENHAM. There is a need. In terms of the priority, it has a low order of need. I think that would be the description.

Senator MONTOYA. Could the Bureau use $200,000 for design work for the school?

Mr. DUDLEY. Yes; if it were given to us, we could use it very adequately.

Senator MONTOYA. Would it fit into your other priorities?

Mr. CARMODY. It would have to compete in our priority system with other schools for construction funds if money were made available to design it. It will have to compete in the priority system for construction funds at a later date.

Senator MONTOYA. Why don't you put into the record your priorities? We want to know about these priorities.

Mr. CARMODY. We are now receiving from each of the locations and areas the documents and backup material to evaluate all of these projects to put them into a bureauwide priority system, and this won't be complete until about the middle of May of this year.

Senator MONTOYA. Why have you prejudged Red Rock to be in a very low priority if you are doing that?

Mr. CARMODY. In the area office, in setting their priorities, they have other higher priorities than Red Rock at this time.

Senator MONTOYA. That is what I am asking you to submit. Give me the order of priorities.

Mr. CARMODY. For the area office?

Senator MONTOYA. Yes. I recognize that you are going to have to change them. As you get more sympathetic, you might put Red Rock at the top.

Commissioner THOMPSON. Senator, we would be pleased to sumbit the priorities that we have for school planning, design, and construction on the Navajo.

[The information follows:]

The Navajo Area's construction priority is as follows:

1. Red Rock Elementary
2. Tuba City Elementary
3. Wingate Elementary
4. Kayenta Elementary

For over 40 years the Bureau of Indian Affairs has operated a school in the Red Rock Community. The original structure, a stone classroom building, is still in use today. The building is in poor physical condition with cracked walls, checked roof beams and peeling paint. It contains two classrooms of minimal size, kitchen and quarters for two teachers. In 1954 three surplus steel Quonset huts were erected to serve as dormitories for the children and for additional classroom space.

Trailers were added to provide housing for the additional school personnel. In 1971 a new kindergarten classroom building and teachers quarters was constructed and they are the only good buildings at the site.

For many years replacement of the school was deferred because of an inadequate water supply. However, several years ago as the result of a water exploration program a supply of water has been found about 8 miles from the community. This will require construction of a pipeline in order to supply a new school complex with water.

LAGUNA JUNIOR HIGH SCHOOL

Senator MONTOYA. I would like clarification of the Bureau's policies concerning construction of BIA schools which may compete for students now attending existing public schools.

One school where construction has been held up pending a decision on this policy is Laguna Junior High School. Can you tell me what your policy is now?

Commissioner THOMPSON. Senator, the policy that existed on construction of Indian schools on or near reservations as they relate to public school was that if there was a public school available, the former policy, if there was a public school available, then the Indian students would attend the public school, and there would be no construction on the Indian reservation. We recently got approval to make exceptions to that policy for outstanding situations that exist in the local community where there is a strong community desire, the roads are impassable, there is no community interest in attending the public school. We now have authority to request exceptions to that universal policy.

Senator MONTOYA. What can you tell me about the Laguna School within this context?

Commissioner THOMPSON. Laguna has 200 students in a public school, if I recall. They did submit a request to be considered as a waiver under our exceptional policy. There were some problems with the way it was formulated. We are working with the school to get it in good order.

Senator MONTOYA. How much could the Bureau obligate in 1976 for Laguna Junior High School?

Commissioner THOMPSON. I don't have that information at my fingertips, Senator, but we will be pleased to submit it. It would probably again, follow our construction priorities, I don't know where it would fit, but we will be pleased to submit that with an overall priority request.

Senator MONTOYA. Would you also give me the construction schedule.

[The information follows:]

The Bureau has $125,000 for design of the Laguna Jr. High School. This would be the total amount that could be obligated in fiscal year 1976. The following is a priority list for the Albuquerque Area.

1. San Felipe School
2. Albuquerque Indian School
3. Southwestern Indian Polytechnic Inst. (II)
4. Laguna Jr. High School
5. Jemez Elementary School
6. San Juan Elementary School
7. Santa Clara Elementary School
8. Isleta Elementary School
9. Zia Elementary School
10. Institute of American Indian Arts
11. San Ildefonso School
12. Taos Elementary School
13. Tesuque Elementary School

LAGUNA CONSTRUCTION SCHEDULE

Senator MONTOYA. Is the construction schedule such that a smaller amount could be appropriated this year with the remainder to be spent in 1977?

Commissioner THOMPSON. Let me refer to Mr. Carmody and Mr. Dudley on that, if I may, Senator.

Mr. DUDLEY. Senator, we have some money set aside for design of the school at Laguna at the present time. We would go very quickly with this, once the school has been cleared with respect to the students.

Senator MONTOYA. Would you do that if the school is cleared?

Mr. DUDLEY. Yes. I have a letter on my desk now pertaining to this, and we would let it go immediately.

Senator MONTOYA. Will the school be cleared?

Commissioner THOMPSON. We are working with the community now to get the proper exceptions worded properly and so forth. We think that it is going to meet the exception, but we don't want to prejudge it until we get all the information.

Senator MONTOYA. Will you give this your earnest consideration?

Commissioner THOMPSON. We will, Senator.

RAMAH SCHOOL PROGRAM

Senator MONTOYA. Have you yet signed the letter suspending the decision of Albuquerque area office with respect to the dormitory at Ramah?

Commissioner THOMPSON. A letter is being prepared.

Senator MONTOYA. What amount of money does Ramah need for phase 2 construction, exclusive of any funds for a new dormitory?

Mr. CARMODY. Senator, the Ramah School Board has estimated, the library—and IMC will require $1.5 million; the kindergarten, $300,000; a clinic, $450,000; cafeteria, $1 million; bus garages, $200,000; additional classrooms, $600,000; auditorium, $1,600,000; staff housing, $2 million; and an estimated $400,000 for site work. Subtracting the dormitory it would be approximately $10 million that will be required to complete it according to their estimates.

Senator MONTOYA. Are you satisfied with the educational program at Ramah and the manner in which the school is being administered?

Dr. SOCKEY. Yes, I think so, Senator.

QUESTIONS BY SENATORS M'GEE AND HATFIELD

Senator MONTOYA. Senators McGee and Hatfield were not able to be here today because of conflicting committee schedules. The questions they were prepared to ask will be submitted to you to be answered for the record.

Commissioner THOMPSON. We will be pleased to answer these additional questions, Mr. Chairman.

[The question and answers follow:]

QUESTIONS SUBMITTED BY SENATOR M'GEE

Question. I notice that the fiscal 1976 Budget Estimate for Indian Services is $114,100 less than in fiscal 1975. What are the reasons for this? How will it affect housing and child welfare?

Answer. The Budget Estimate referred to is the breakout by states and Congressional Districts which is provided to the members of Congress during the month of January. At the time the summary was prepared, the distribution of Welfare Grants was not finalized and was not included. The $114,100 difference is comparable to the Welfare Grants which will be provided to the Indian reservation in the state of Wyoming.

Question. Likewise, the Budget Estimate for irrigation on the Wind River Reservation is $9,765 less than in fiscal year 1975. Please justify this proposed cut in funds.

Answer. The budget estimate for FY 1976 of $39,000 is $6,000 less than the budget estimate for FY 1975 of $45,000. The difference lies in the fact that a purchase of equipment was necessary in FY 1975 to initiate the rehabilitation program which is being continued in FY 1976.

Question. Of the total requested for Education how much is devoted to vocational programs? How much for special training?

Answer. The F.Y. 1976 budget request contains an estimated $7,000,000 for vocational education programs in the Bureau of Indian Affairs. In addition a number of Bureau high schools include some prevocational-training in their curriculum. Prevocational programs are defined as being substantially vocational in nature, but not of sufficient scope and depth to lead to full proficiency at the job entrance level.

In regard to your question on special training, the Bureau of Indian Affairs is requesting $2,683,000 for adult programs and $20,040,000 for adult vocational training in fiscal year 1976.

Question. How do you intend to specifically implement the provisions of the Indian Self-Determination and Educational Assistance Act nationally? In Wyoming? Please supply a copy of the regulations as soon as they are finalized.

Answer. First, I have placed this responsibility under the direct auspices of Deputy Commissioner Harley Frankel. A staff of 13 Bureau specialists have been assigned to work full-time on developing the regulations for the Act, P.L. 93–638. In cooperation with our Area Office staffs and Indian Health Service (IHS) counterparts, we conducted the first phase of orientation and information sessions for national, regional, and tribal Indian representatives. Included were members of the Federal Regional Councils, State public school representatives, and related persons. Indian recommendations were collated to guide us in drafting the regulations. In addition, we are working closely with OMB, the Civil Service Commission, and the U.S. Office of Education.

We will hold the second phase of Indian consultation sessions to discuss the draft regulations from May 28–June 13. This phase will also be conducted in cooperation with IHS colleagues. Both phase I and II will provide us with Indian comments for drafting the regulations. These regulations are to be presented to the substantive Committees of the House and Senate on August 4, 1975, with publication in the Federal Register on September 4, 1975 for public comments. Final Register publication—and formal implementation of the Act—is mandated for November 4, 1975.

The Wyoming tribes have participated in the meetings conducted at and with the assistance of our Billings Area Office. Some 75 tribal representatives were in attendance at that meeting on April 1–2, 1975.

We have contacted the Chief State School Officers in those locales participating in the JOM program for public school assistance to seek their comments and recommendations on the implementation of Title II of the Act.

We will be pleased to provide you with a copy of the final regulations for your information and review.

Question. Why have no funds been requested for construction of building and utilities in Wyoming?

Answer. Projects to be funded are selected on a priority system both of the local level and the national level. Those projects in the State of Wyoming did not have the priority to be funded in FY 1976 when compared to all the construction requirements in the BIA.

QUESTIONS SUBMITTED BY SENATOR HATFIELD

Question. What is the status of the proposed new facility for the Chemawa Indian School in Oregon?

Answer. Plans and specifications are scheduled for completion in July 1975.

Question. Why have no funds been requested this year for this project?

Answer. At the time the 1976 Construction priorities were established the plans and specifications were not completed. However, even if they were completed, Chemawa would have had to compete in our priority system with other schools for construction funds.

Question. What level of funding could be utilized this year for Chemawa Indian School?

Answer. We would be able to obligate $10,057,000 in F.Y. 1976.

Question. What impact will the reduction in force at Chemawa have on the operation?

Answer. The present reduction in force at Chemawa School will have an adverse effect on employee morale due to the release of some fellow workers. It is also expected that reactions from the Chemawa Indian School Board and various Northwest Tribes will be received.

SUBCOMMITTEE RECESS

Senator MONTOYA. I am going to have to catch a vote.

We will recess until 10 a.m. tomorrow. We will then hear the Indian Health Service and Indian Education Act estimates.

Thank you very much, gentlemen.

Commissioner THOMPSON. Thank you, Senator.

[Whereupon, at 12:20 p.m., Wednesday, April 9, the subcommittee was recessed, to reconvene at 10 a.m. Thursday, April 10.]

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES—APPROPRIATIONS FOR FISCAL YEAR 1976

THURSDAY, APRIL 10, 1975

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

The subcommittee met at 10 a.m., in room 1114, Everett McKinley Dirksen Office Building, Hon. Joseph M. Montoya presiding.

Present: Senators Montoya and Stevens

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

HEALTH SERVICE ADMINISTRATION

INDIAN HEALTH SERVICE

STATEMENT OF DR. EMERY A. JOHNSON, DIRECTOR

ACCOMPANIED BY:

DR. ROBERT VAN HOEK, ACTING ADMINISTRATOR
HENRY V. CHADWICK, DEPUTY DIRECTOR, INDIAN HEALTH SERVICE
DR. LIONEL DE MONTIGNY, DIRECTOR, DIVISION OF INDIAN COMMUNITY DEVELOPMENT, INDIAN HEALTH SERVICE
DR. JOSEPH N. EXENDINE, DIRECTOR, OFFICE OF PROGRAM SUPPORT, INDIAN HEALTH SERVICE
DELBERT A. LARSEN, DIRECTOR, OFFICE OF ENVIRONMENTAL HEALTH, INDIAN HEALTH SERVICE
JACK V. CASEBOLT, ACTING DIRECTOR, DIVISION OF RESOURCE COORDINATION, INDIAN HEALTH SERVICE
SOL ORDEN, CHIEF, FINANCIAL MANAGEMENT BRANCH, INDIAN HEALTH SERVICE
HARELL LITTLE, DIRECTOR, OFFICE OF FINANCIAL MANAGEMENT, HEALTH SERVICES ADMINISTRATION
HON. JOHN D. YOUNG, ASSISTANT SECRETARY, COMPTROLLER, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

BUDGET ESTIMATES

Senator MONTOYA. The committee will be in order.

This morning we will hear the fiscal 1976 budget estimates of the Indian Health Service. They total just under $311 million dollars, an increase of $27.3 million over appropriations to date for 1975. The justification has been included in part 1 of the record [pp. 1577–1632].

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PREPARED STATEMENT

Dr. Johnson, I want to welcome you again before this committee. Would you please introduce your associates at the witness table and highlight your statement. The full prepared statement will be printed in the record.

[The statement follows:]

Mr. Chairman and Members of the Committee:

The Health Services Administration of the Public Health Service, Department of Health, Education, and Welfare, is a basic arm of the United States Government concerned with the delivery of quality health care. The Indian Health Service, as a major component of that basic arm, is the main instrument through which the Government discharges its legally and historically unique responsibilities toward American Indians and Alaska Natives in the health field. The Indian Health Service seeks to elevate the health status of Indians and Alaska Natives to the highest possible level by assuring the availability of a comprehensive health service delivery system that will provide Indians and Alaska Natives opportunities for maximum involvement in defining and meeting their own health needs. About 507,000 Indians and Alaska Natives, most of whom live on or near Federal reservations, in traditional Indian country in Oklahoma, and in hundreds of communities in Alaska, are directly affected by the Indian Health Service program.

To conduct the program, the 1976 appropriation request contains $269,541,000 for "Indian Health Services" and $41,458,000 for "Indian Health Facilities". An increase in "Services" will provide $24,395,000 for mandatory increases and $5,722,000 for program increases consisting of inpatient care in Indian hospitals, otitis media, ambulatory care, tribal operations and technical assistance, and laboratory, eye care and mental health programs. The $41,458,000 in construction will provide Sanitation facilities for 9,500 Indian homes; 13 units of staff quarters at Owyhee, Nevada; and equipment for several previously approved construction projects.

PROGRAM ACTIVITIES

A comprehensive range of preventive, curative, rehabilitative and environmental services is provided through the health services delivery systems of the Indian Health Service program. These delivery systems are operated in 88 local administrative organizations known as Service Units, featuring a network of facilities including 51 hospitals, each with an ambulatory care department; 86 health centers including school health centers; and over 300 health stations and satellite clinics. The activities of the program are carried out by about 8,000 full-time staff, over half of whom are Indian.

Complimentary to the Indian Health Service direct program operations are contracts maintained with over 300 private or community hospitals, approximately 20 State and local health departments, and about 1600 physicians, dentists and other health workers to provide needed hospitalization and specialized diagnostic, therapeutic and other needed services not available through the direct services program.

The following descriptions illustrate the efforts being made by the Indian Health Service in meeting the health needs of the Indian people.

OTITIS MEDIA

Otitis media, a crippling disease of the middle ear and always a serious health problem among Indians and Alaska Natives, has replaced tuberculosis as a major problem among Indians since it inflicts serious and often permanent damage. Additional funding made available since 1971 has given the Indian Health Service the first opportunity to mount an organized service-wide program to prevent and to treat otitis media. The program emphasizes prevention, screening, surgical restoration, programs for case finding, and a hearing aid distribution program. The program is now operational in six Areas.

MENTAL HEALTH PROGRAM

The seriousness of mental health problems among Indians and Alaska Natives is demonstrated by a suicide rate which is about twice as high as the all

races rate; by a homicide rate 3.1 times as high; and by deaths from alcoholism, alcoholic psychosis and cirrhosis of the liver with alcoholism, the rate for which is 6.2 times as high as in the general population. Alcohol abuse, suicides, family disorganization, violence, depression, apathy and dependence are problems which are far too common. The Mental Health program is a program of constructive intervention and prevention planning. Implementation of this program is one of continuing effort to understand the Indian way of life, ideas, and language, and is undertaken with the full participation of Indian people in the programs.

NUTRITION

Mild to moderately severe malnutrition continues to be a health problem of major concern among Indians and Alaska Natives, particularly infants, pre-school children and women in the childbearing years of 15-44. The Indian Health Service continues its long established practice of providing family centered nutrition services focused on practical intensive education by applying appropriate technical principles to the food habits and cultural practices of Indians and Alaska Natives.

DENTAL PROGRAM

The Indian Health Service dental program provides 1) clinical services, through both the field health and the contract dental program, 2) evaluation and planning, using its dental data system, 3) recruitment and career development of dental staff, 4) speciality clinical and laboratory services, 5) community development service. It promotes utilization of clinical services and water fluoridation and conducts research and development. The program provides direct services in 143 dental clinics, with 30 mobile dental units, and with portable field equipment in hundreds of isolated rural communities, and contract services with more than 700 privately practicing dentists. It is estimated that the program meets 42 percent of its dental service objective at this time.

MATERNAL AND CHILD HEALTH

Improving the health of the mothers and children has always had the highest priority in the Indian Health Service, and new program efforts are introduced whenever possible. Preventive health care is emphasized through pre-natal and post-natal care, immunizations, well-child clinics, and health education of the mothers in the care of their children. Activities involving diagnosis, treatment and rehabilitation of mother and children encompass a great amount of the efforts of the Service. Family planning is an element of the maternal and child health program of the Indian Health Service.

Two elements of the maternal and child health activities need to be emphasized. The first one is the utilization of professionals other than physicians for the health care of mothers and children, represented by the nurse-midwives and the pediatric nurse practitioners. They have been able to extend services, working with highly qualified professionals, to isolated geographical areas in which it has been extremely difficult or impossible to carry on an adequate health program. The second element to be emphasized is the involvement of the consumers, in this case, the Indians themselves, in the organization and management of maternal and child health care and family planning programs through the Indian tribes and specially trained Community Health Representatives.

ENVIRONMENTAL HEALTH

The hazards of crowded living conditions, insufficient amounts of safe water and lack of sanitation facilities are factors contributing to the poor general environment in which most Indians and Alaska Natives live. Under cooperative arrangements with the Department of Housing and Urban Development, the Bureau of Indian Affairs, and various Indian Housing Authorities, the Indian Health Service will have served through fiscal year 1975, approximately 44,000 new or improved homes. In fiscal year 1976, the Indian Health Service

will initiate efforts to provide water and sanitation facilities for 8,000 units of new or improved housing constructed by other Federal agencies or Tribes, and for approximately 1,500 existing Indian homes located within or adjacent to housing project sites. Assistance will also be provided to communities in the proper use, care, and maintenance of these facilities once installed.

SUMMARY

As is evident from the details above, considerable Indian Health Service energies are, by necessity, directed toward early detection and treatment of diseases and trauma. The organization, however, is substantially increasing its efforts to improve the peoples' access to preventive services, thereby relieving them from the pain and suffering associated with avoidable sickness and injuries.

PROGRAM PARTICIPATION BY OTHER ORGANIZATIONS

The Indian Health Service is the main, and often the only, source of health services for tens of thousands of Indians and Native Alaskans. These people, however, are entitled to participate in the full range of health and health-related programs available to all other citizens. The Indian Health Service, in its role as principal Federal advocate for Indians in the health field, seeks to make Indians aware of their entitlements to such programs and how to use them. It also encourages other Federal, State and local governmental agencies, as well as those in the private sector, to be active participants in a national effort to improve the health of Indian people by making special arrangements to reach and serve them wherever they may live. Achievement of this aim recently was greatly assisted when Secretary Weinberger took steps to assure Indian participation in the Medicaid program.

Results have been encouraging. A number of programs within the Health Services Administration make substantial contributions. Other major Public Health Service components participate as well, namely, the Health Resources Administration; the Center for Disease Control; the Alcohol, Drug Abuse, and Mental Health Administration; and the National Institutes of Health.

These Public Health Service contributions are augmented by those of other Department of Health, Education, and Welfare agencies. Also, other Federal Departments are making special efforts to be of help.

INDIAN AND ALASKA NATIVE PARTICIPATION

A number of historical forces have shaped, and continue to shape, the evolution of Indian Health Service program growth and management practices during the past 20 years. One such force has been the Indians and Alaska Natives thrust toward management of their own affairs, i.e., Indian self-determination. This thrust has been supported by the Congress and by the Executive Branch.

President Ford reaffirmed this support for the Federal self-determination policy. For example, on signing the Indian Self-Determination and Education Assistance Act into law on January 4, 1975, he stated, "My Administration is committed to furthering the self-determination of Indian communities without terminating the special relationship between the Federal Government and the Indian people." The Congress has illustrated its support by the passage of that Act and others, which make special provisions for Indians.

The Indian Health Service recognizes the need to do all it can to assist individual Indians and Indian communities to acquire the health knowledge, skills and institutional capacities which they must have in order to man, manage or otherwise participate in guiding the health program activities serving them. The Service recognizes, also, its responsibility to provide opportunities for the tribes to employ those skills and capacities, and it strives to provide all possible opportunities for Indians and Alaska Natives

to function within the Indian Health Service itself. Some of the keys to meeting these needs are training, technical assistance, substantive support of tribal endeavors to plan, organize, operate and evaluate health program activities, and Indian Health Service commitment to both the maintenance of high quality health services and the idea and practice of self-determination.

One of the most significant developments in Indian affairs during the past decade has been the rapidity with which the tribes have entered into the health services management process. At the present time, the Service Unit staffs of the Indian Health Service are receiving careful and indispensable assistance from the local people they serve, through their tribal councils and through Indian health boards which are responsible to official tribal leadership rather than to the Indian Health Service. Because of their independence from the Service, these groups are ideally postured to speak effectively for the community, accurately presenting both needs and solutions as seen through the eyes of those who have the greatest stake in program success or failure - the Indian consumer.

The tribes in each Indian Health Service Area have banded together to form Area Health Boards, and these, in turn, have formed a National Indian Health Board. These broader-based Boards advise the Indian Health Service Area Directors and the Director of the Indian Health Service, on matters pertinent to program operations and policies. The Indian Health Service also seeks and receives invaluable advice and guidance from tribal governing bodies and from organizations of tribally elected officials such as the National Tribal Chairman's Association. Many tribes and inter-tribal groups have elected to expand this type of community program management by directly operating some health program activities. The Indian Health Service contracts with individual tribes and inter-tribal groups to deliver many different kinds of services which otherwise it would have to deliver itself.

Of a total of 630 contracts in Fiscal Year 1974, many called for tribes and other Indian groups to deliver health education and other services through tribally selected and supervised community health representatives and Alaska Native Community Health Aides. A total of about 1,400 such workers are now on the job, having been trained by the Indian Health Service. These people in some instances represent the only full-time resident health workers available, and they function as an entry point into the health care system. This is particularly true in remote parts of Alaska.

Another example of a health program management function increasingly carried out by tribes is program evaluation. The Service looks to the tribes for evaluation of the health services delivery system from the community, or consumers' point of view. Concomitantly, the Service conducts continuing health program evaluations emphasizing management effectiveness and efficiency. Professional groups such as the Joint Commission on Hospital Accreditation also participate in these functions.

These examples of contractual efforts of the tribes and other groups are only illustrative of the varied kinds of health activities which increasingly are becoming functions managed by Indians, with Federal support.

Many Indian groups want to assume control of, and develop, health institutions to operate and coordinate a broad spectrum of health services using a variety of resources. Examples of this type of multi-groups health management institution include the United Southeastern Tribes and the California Rural Indian Health Board. Similar institutions have been developed in some urban areas, as a response to, or as a consequence of, specific Congressional direction.

An increasing number of tribal and inter-tribal groups have requested technical assistance from the Indian Health Service in developing their

health program management capacities. The Service has responded by providing community development consultation and technical assistance to the tribes requesting it, and by developing funding mechanisms to enable the tribes to develop community-based institutions.

There is a chronic, severe shortage of trained Indian workers in the health field. Accordingly, energetic recruitment, upward mobility, and training endeavors are carried out on a continuing basis to posture Indians for placement in Indian Health Service jobs of all kinds, including decision-making and influencing positions of an administrative and technical-professional nature. We are taking steps to assure that Indians will be postured for filling positions at the mid- and upper-range of administrative and technical program operations. We are also training numerous people for technical jobs for employment in health service operations. Examples include community health medics, dental assistants, advanced practical nurses, mental health aides, medical social work associates, food production and service workers, food service supervisors, mental health technicians and specialists in the field of environmental health. The Indian Health Service plans to continue long-term, short-term, on-the-job and other kinds of skill-building needed to increase its employment of local health workers in Indian communities, as well as to upgrade the average skill level of these people.

PROGRESS

To successfully conduct the Indian Health programs, it is essential that health facilities be fully postured for effective and efficient medical and related health practices and utilization of specialty skills. Through continued Presidential and Congressional interest and action, progress is being made in reducing the physical plant deficiencies. Since 1955, 14 hospitals, 17 health centers, and 58 field stations have been constructed. For example, a new 125-bed hospital at Tuba City, Arizona will open in May 1975.

Additionally, contracts have been awarded and construction is underway for replacement hospitals at Zuni, New Mexico, Philadelphia, Mississippi, Owyhee, Nevada, and Claremore, Oklahoma. Planning is completed for a new hospital at Acoma-Laguna-Canoncito and a replacement hospital at Santa Fe, New Mexico. In addition, planning is either completed or underway for expanding and modernizing the hospital at Shiprock, New Mexico and to replace the hospital facilities at Whiteriver, Arizona, and Bethel, Alaska. A completed master plan study is currently being evaluated for the hospital facility at Browning, Montana. Master plan studies recently completed for Rosebud, South Dakota, Sacaton, Arizona, and Red Lake, Minnesota, recommended replacement facilities in lieu of modernization.

In 1975, construction contracts will be let for health centers at Riverside, California, and Lame Deer, Montana, and alterations to the Tohatchi, New Mexico clinic. We are happy to report that additional hospitals have been accredited by the Joint Commission of Accreditation of Hospitals this fiscal year, bringing the total accredited to 25. Facilities, therefore, represent a substantial long-term investment in Indian health.

Another large investment has been made to provide the manpower necessary to maintain these facilities as keystones of integrated health services delivery systems, which, in addition to inpatient care, feature rehabilitative services, emphasize ambulatory care, and stress preventive measures. Much of this effort is carried out in individual homes and in strategically located field clinics which are often satellite to the Indian Health Service hospitals.

The number of health workers employed by the Indian Health Service to operate the system has grown substantially since 1955. To illustrate, physicians' positions have grown from 125 to 525; dentists from 40 to about 200; and

registered nurses from 783 to over 1,200. Increases in other categories have been sizeable, the total workforce having grown from under 3,500 to about 8,000.

Growth in demands placed on the program, and its output, are seen in almost any statistical measure of program activity. For example, outpatient visits to Indian Health Service and contract facilities increased from about 1,500,000 in 1963 to 2,620,000 in 1974, and may well reach 2,700,000 in 1975. Also, dental services increased more than four times during the same period.

Since 1955, the activities of the Indian Health Service have had a profound effect on the health status of the Indians and Alaska Natives. For instance, the Indian and Alaska Native infant death rate has been reduced by 69 percent; the death rate from certain diseases of early infancy is down 71 percent; the death rate from gastritis and related diseases has dropped 86 percent; and the influenza and pneumonia death rate is down by 54 percent. These substantial gains provide ample evidence of the effectiveness of sound health services delivery systems and of the value and practicality of organized consumer group involvement in all aspects of health program management.

THE CONTINUING EFFORT

The tried and proven Federal-Indian team approach provides a rock-solid foundation for sustaining these gains. Also, the momentum which the team has generated enables us to look at the future with optimism.

In spite of successes, many challenges remain to be met before the health status of Indians and Alaska Natives is elevated to the highest level. The overall health status of these people, while gaining on that of the general population, remains behind that enjoyed by Americans as a whole. In 1973, for example, the infant death rate among Indians and Alaska Natives was 1.1 times higher than the rate in the Nation in general. The tuberculosis and diabetes death rates were 5.4 and 2.1 times that of the general rate, respectively, while that for influenza and pneumonia exceeded the all races rate by 2.4 times. The death rate for cirrhosis was 4.4 times higher and that for accidents, the leading cause of death among Indians, was an appalling 3.9 times higher than the rate of death in the general population.

We are confident, consistent with the shared, determined aims of the Administration, the Congress, the Indians and Alaska Natives, and the public, that these and other remaining unacceptable gaps can be closed, deliberately and permanently.

To this end, we shall continue to do our best, in partnership with the tribes, to effectively, efficiently and imaginatively manage the resources with which we are entrusted in the quest to produce the health program output required to get the job done.

INTRODUCTION OF ASSOCIATES

Dr. JOHNSON. Thank you, Mr. Chairman. On my far left is Dr. Robert van Hoek, who is Acting Administrator of the Health Services Administration; on my immediate left, Mr. Jack Young, Comptroller and Assistant Secretary of the Department of HEW; on my right is Mr. H. V. Chadwick, Deputy Director of Indian Health Services, and on his right is Mr. Delbert Larsen, Chief of the Office of Environmental Health for the Indian Health Service.

PROGRAM ACCOMPLISHMENTS

I would like, Mr. Chairman, to very briefly summarize my opening statement for you. In order to do that, I would like to call your attention to two of the charts in the series that we have before you. I think they pretty well summarzie the basic elements of the program. If you will look at chart No. 1, where we identify some of the accomplishments of the program over the last approximately 19 years, you will see at the beginning, "Health improvements."

You can see a remarkable improvement in death rate of infants, for example, the death rate has been cut by 69 percent; maternal mortality by 80 percent; tuberculosis mortality by 89 percent.

Senator MONTOYA. Let's include that chart in the record at this point.

[The chart follows:]

HEALTH IMPROVEMENT FACTORS

Program accomplishments

	Percent decrease
Health improvements—Fiscal Year 1955–73:	
Death rates:	
Infants	69
Under 28 days	61
28 days to 11 Months	73
Maternal	80
Influenza and pneumonia	54
Certain diseases of early infancy	71
Tuberculosis, all forms	89
Gastritis, et cetera	86
Congenital malformations	47
Incidence Rates:	
New active tuberculosis cases	58
Trachoma	71
	Percent increase
Increased use of services—Fiscal Year 1955–74:	
Hospital admissions	107
Woman provided family planning services	97
Outpatient visits	419
Dental services	415

Senator MONTOYA. You have done very well. Over what period of time, from 1955 to 1973?

Dr. JOHNSON. That is correct, Mr. Chairman.

Senator MONTOYA. I hope the Cuba Clinic had something to do with it.

Dr. JOHNSON. I am sure that it made some contribution, Mr. Chairman.

At the bottom of the chart, it shows some of the factors that were responsible for those health improvements. We can see down there the dramatic increase in the utilization of services provided by the Indian Health Service to the Indian community. You can see, for example, that our hospital admissions have more than doubled. Outpatient visits are up over four times. Dental services up again over four times.

That tells us a couple of things, Mr. Chairman. One, obviously, has to do with just the magnitude of services provided. But I think even more significantly, it identifies the concept of acceptance of the program on the part of the Indian people.

Our attempt has been to provide services that are responsive, that are accessible in getting out into the community. The project at Cuba, for example, is one of the types of programs where health services are being provided out in the community area, not in the traditional large cities or central areas but out actually in the individual communities and places where services have not been provided historically.

If you will then go to—I am giving you the good side of the story.

DESIRABILITY OF PREVENTIVE HEALTH SERVICES PROGRAM

Senator MONTOYA. Let me ask you this question before you go any further. Is it your expert opinion that the delivery of health services to the communities—preventive medicine—works better than waiting for the patient to get sick and then take him to a hospital?

Dr. JOHNSON. By all means.

Senator MONTOYA. Is this a better preventive situation?

Dr. JOHNSON. Certainly it is better for the patient, because if you can see patients early, if you can provide them with treatment at the earliest stages of illness, or provide preventive treatment, then you avoid the expensive and the long-term costs of hospital care.

Senator MONTOYA. It is more economical for the Government too, isnt it?

Dr. JOHNSON. Oh, yes, much more so. As you can see, in our chart before you, the greatest expansion has been in ambulatory patient services, the outpatient services, rather than inpatient care. This has been a deliberate attempt on our part.

NEED FOR ADDITIONAL CLINICS

Senator MONTOYA. How many clinics do you have, and how many do you need? And dollarwise what would be required to undertake the completion of this capacity, or the reaching of this capacity?

Dr. JOHNSON. At the moment, Mr. Chairman, we have approximately 86 major health centers. These are facilities that have full-time staff at least 5 days a week. We have between 300 and 400 other health stations or clinic locations. These may be nothing more than a room in a school building. It may be a mobile clinic. We have, in addition, some 30 mobile dental clinics that are used throughout the country.

Senator MONTOYA. How many?

Dr. JOHNSON. Thirty. We have 30 mobile dental clinics and 143 fixed dental clinics. This is all part of this system of delivering health

care. The number of specific major clinics that we have need for, Mr. Chadwick, I am sure, can give us the exact number. Each Indian community has identified and we have worked with them trying to define the major health facilities that they would need, and the clinic facilities, to provide them with an integrated and comprehensive system of inpatient care, outpatient care, preventive services, community services.

Mr. Chadwick, if you could give us the figure for the numbers of clinics and dollars that we are talking about.

Mr. CHADWICK. To repair and add some 50 additional health stations and health centers, at today's prices, would cost approximately $30 million.

ABSENCE OF BUDGETED CLINIC CONSTRUCTION

Senator MONTOYA. What do you have in the budget?

Dr. JOHNSON. There is no funding in this budget before you for additional clinics.

Senator MONTOYA. Why?

Dr. JOHNSON. Mr. Chairman, the budget process, of course, requires that we operate under a budget ceiling. We were given a ceiling this year by the Office of Management and Budget, the Department that gets down to us——

Senator MONTOYA. What did you propose?

Dr. JOHNSON. The total amount we proposed?

Senator MONTOYA. For outpatient clinics.

Dr. JOHNSON. Mr. Chadwick, could you give us the exact figure?

Senator MONTOYA. What did you propose to OMB?

Mr. CHADWICK. We had—you mean just for clinics, Mr. Chairman?

Senator MONTOYA. Yes, for field clinics.

Mr. CHADWICK. We had money in the budget to OMB for one.

Senator MONTOYA. For one?

Mr. CHADWICK. One.

Senator MONTOYA. How much is your need?

Dr. JOHNSON. Approximately 50.

Senator MONTOYA. And OMB turned you down for that one?

Dr. JOHNSON. That is correct.

Senator MONTOYA. What do you think of that?

Dr. JOHNSON. As I pointed out, Mr. Chairman, we had a ceiling—

Senator MONTOYA. Why didn't you ask for 10 and then they would have given you 5? Why did you ask just for 1?

Dr. JOHNSON. Again, looking at the ——

Senator MONTOYA. It looks like they are in a gambling syndrome.

PROGRAM PRIORITIES

Dr. JOHNSON. We put our asking money this year in two general areas, if I may have the privilege of discussing that with you. No. 1 was in services. To me, the most critical need and the thing that is the most desirable is in being able to deliver services in the facilities we now have. You go into our facilities and you will see long waiting lines. You will see patients stacked up in the hospitals. The nurses are overworked——

Senator MONTOYA. I have seen them. I have visited some of these clinics. Have you tried to get people from OMB to visit some of these Indian reservations?

Dr. JOHNSON. Yes, sir. I was able this last year to get two or three from OMB actually out in the field to visit them.

Senator MONTOYA. Then they turned you down in clinics or did they just see what you already had?

Dr. JOHNSON. As I say, we made a request to them and we ended up with the budget that is before you. But as I was trying to emphasize, my first priority, Mr. Chairman, was for services, to get some help out to the doctors and nurses and the staff that are trying to hold these programs, both the clinic programs and hospital programs, together. When we had a limited amount of budget expansion this year, approximately $5.7 million. I chose deliberately to put that entire amount into services, because it seemed to me that we should provide some help now to these facilities that we already have. When you talk about the $5.7 million, it sounds like a lot of money. But when you spread it from Barrow, Alaska, to the Everglades of Florida, over 51 hospitials, 86 health centers and all this, it does not turn out to be an awful lot of help for anybody.

So I put it into services, because it we were to put that into construction, $1 million or $2 or $3 million, it would help one small group, but it would not help them for 2 or 3 years. It was my judgment that the time is critical, and the need is now.

Senator MONTOYA. Dr. Johnson, if you need 50 clinics today and OMB did not even see fit to give you the one that you requested money for, then how are you going to be able to deliver the health services to all of these Indians where the 50 clinics are needed?

Dr. JOHNSON. It is very clear that we are not going to be able to provide them with the accessibility to services or the quantity or quality of services they need.

Senator MONTOYA. What will happen to the Indians in these areas?

Dr. JOHNSON. They will have to do as they have done in the past, Mr. Chairman. They will have to travel to the places where we now have facilities.

Senator MONTOYA. What about dental care?

Dr. JOHNSON. Dental care is essentially the same issue. They will have to come to the 143 fixed clinics or the locations where we can get our 30 mobile dental.

COST OF ESTABLISHING A CLINIC

Senator MONTOYA. The budget request reflects a reduction of nearly $14 million for hospitals and clinics in the construction program. In other categories like sanitation facilities and personnel quarters and community facilities, a total reduction over last year of $19,052,000 in obligations. I fully appreciate that you have to put more money into existing health clinics. But in view of the need to which you testify that exists, I am amazed that the Office of Management and Budget is not providing for anything for field clinics in this appropriation.

What is the average requirement for establishing a field clinic in terms of dollars?

Dr. JOHNSON. Mr. Chadwick, would you want to give us an example of a typical field clinic?

Senator MONTOYA. I want to get started on this program. Last year we started the Isleta Clinic, and it was not a budget item.

Dr. JOHNSON. There are basically two different ways that we establish clinics. One is through Federal construction of a clinic facility itself, and then Federal operation of it. The committee last year, as you recall, added $1 million to construct a health center on the Northern Cheyenne Reservation in Montana. That gives you the dimension of cost of a federally constructed clinic.

TRIBAL CONSTRUCTION

Another way that we have been doing is where the tribe itself is interested and would choose to construct its own clinic. Then we would lease it from them. Again last year you had examples of that in the budget, the White Eagle Clinic in Oklahoma that the committee provided for, as well as the Isleta Clinic.

In there the cost figures are a little bit different, and I think Mr. Chadwick can give you an example of the cost of going into one of those projects.

Mr. CHADWICK. Mr. Chairman, we had two types of clinics. One we call a health center, where we have permanent staff located. As Dr. Johnson mentioned, those would require approximately $1 million to construct. A health station, where we have visiting staff come to hold a clinic, costs $300,000 to $400,000. We have found that in the cases where the Indian people build a clinic it costs us $60,000 to $70,000 a year leasing it.

And then one typical example at Concho, Okla., we could build—we could have the Indian people build and we operate a clinic requiring 29 staff for $578,000 a year operating costs. The operating costs of our own clinics versus the ones we leased from Indian people would be essentially the same, except for the lease we pay.

In other words, the difference between the two——

Senator MONTOYA. How is the lease—how does a lease work? On what basis of amortization of the cost?

Mr. CHADWICK. The leases are handled by the General Services Administration, Mr. Chairman, and are determined on the basis of the value, square foot value of such space at each geography.

Senator MONTOYA. Why do you have to do that when the Indians are willing to donate the land? And if you will construct, you will come out better if you put up the construction money; would you not?

Dr. JOHNSON. There are two different answers to that question, Mr. Chairman. No. 1, of course, by leasing you do avoid the initial construction costs. That is a factor. There are some other advantages to the leasing process. When the tribe builds their own clinic, it is theirs. It is their structure, and I think they have a different feeling about it than if it is a federally constructed facility.

For example, we have supported for a number of years in Alaska the so-called village-built clinics. I have visited a number of the Bush villages in Alaska. They are real small communities, and the pride that the villagers have in this village clinic that is theirs, even though we are paying the lease cost, even though our folks are providing

service there, I think there is something to be said about that, when you look at the long-term development of Indian communities.

Now, it must be pointed out, however, that the decision to go into a leasing arrangement must clearly be the tribe's. Some tribes are very interested and want to do it this way and others do not. It is our position that the wishes of the tribe as to which method to be used should clearly rest with them.

Senator MONTOYA. I do not think it should rest with them. I think if the Government is willing to pay rental, the Government should make the choice as to whether or not it is in the Government's interest to rent the premises or to build.

I am sure that the different Indian tribes would rather have the Government make the outlay because many of these tribes cannot do it.

Dr. JOHNSON. That is correct.

Senator MONTOYA. Many of these tribes do not have resources, and they cannot borrow the money either.

Dr. JOHNSON. As I said, if they feel that Federal construction is the way to go, that is obviously the way we would like to go.

CUBA HEALTH CLINIC

Senator MONTOYA. Let me get back to a pet project of mine, the Cuba Health Clinic. Are you able to tell me anything about that?

Dr. JOHNSON. The Cuba health program was established by the Presbyterian Medical Services several years ago. It was the first full-time health service that was provided in that section of New Mexico.

Senator MONTOYA. That is right, and the local community put up the building. They had an initial building, and then they added to it. We got some construction money for the community, and they put up matching money. They had a full staff there, and they made that facility available to whites and Indians in an area that had no medical service whatsoever. It was on an accommodation basis to both.

Your people were very nice about it, and I think you have rendered a great public service to that clinic in the area. But now, because of inflation, your people are trying to get them to confine the delivery of health services to the Indians. Now, isn't there any way that you can continue this setup?

Dr. JOHNSON. Let me try to clarify the issue, Mr. Chairman. The Indian Health Service, through the funds appropriated to us, had the authority only to pay for services that are rendered to Indian patients.

The checkerboard health program in Cuba, of course, has many other people living in that area that need health services as much as the Indians do. But there is no way for the Indian Health Service to use funds appropriated for Indians to pay for health care for other people.

CUBA SERVICES TO NONINDIANS

Senator MONTOYA. Why should the local people spend their own money to build a facility and then they cannot get something in return from the Government?

Dr. JOHNSON. I think this goes from the Indian Health Service, perhaps, over to another section of HEW. If I might, I'll ask Dr. van Hoek to comment on this.

Senator MONTOYA. I wish you would, because I want to find out how we can get into the picture the way we have been in the past.

Dr. VAN HOEK. It is my understanding, Senator, that the project had been receiving funds from the Social and Rehabilitation Service of the Department under a 3-year demonstration program authorized by section 1115 of the Social Security Act. Unfortunately, the 3-year period came to an end in February of this year. In addition, the project has received, and continues to receive, a smaller amount of funds from SRS as part of the early prevention, screening, detection, and treatment program. I believe that this project is important to the people of the checkerboard area and therefore I shall request that the Dallas regional office work with the project. The regional office has a staff who would be able to provide a variety of technical assistance. Alternate sources of funding could be investigated and assistance should be given in improving the project's cost accounting system, so that it could better collect from medicare, medicaid, and other third-party payment systems.

Senator MONTOYA. Does this come under your Division?

Dr. VAN HOEK. Yes, sir, the technical assistance can be provided by the Health Services Administration.

Senator MONTOYA. What are the prospects for such an arrangement?

Dr. VAN HOEK. With the proper billing and accounting systems in the project, and determination of eligibility of the recipients of care, funds should be available under both the medicare and medicaid programs.

Senator MONTOYA. Why don't you people tell them about it and tell them what the prospects are? They have been coming to me every time I go to New Mexico, and everything is up in the air. They do not know whether they are going to have a health clinic for the local white people or not.

Dr. VAN HOEK. I will see that the Dallas regional office will——

Senator MONTOYA. Will you do that? Because I think that this project clearly demonstrates the wide use of Federal money for the delivery of health services and health care. I think this is one of the finest projects in America, I really do.

It has influenced the delivery of health care in other parts of the area. You have satellites from the clinic in other parts, and it is really a wonderful thing for these people. They put up their own money. They are poor, but they put up their own money. I think we ought to encourage this kind of endeavor on the part of local people.

DEPARTMENTAL VIEWS ON INDIAN HEALTH

I want to make this statement. I know that Secretary Young is here, and I welcome him before this committee. I am glad he is listening to this dialog. I know you are the Comptroller there at HEW. And I hope this dialog will extricate you from the OMB syndrome, and infuse you with a little compassion.

But I have requested that you be here, Mr. Secretary, so that you can explain why the administration has failed so completely in its responsibilities in the field of Indian health facilities.

Secretary YOUNG. To say the least, these are difficult times.

Senator MONTOYA. Is Governor King here? Governor King of New Mexico? Let the record show that our esteemed former Governor of

New Mexico, Governor King, is here. Incidentally, he had a lot to do with the Cuba Clinic, about which we are speaking, Governor, and we have Secretary Young and Dr. Johnson and his aides here, who are in charge of the Indian health programs. Secretary Young is Comptroller and Assistant Secretary of HEW.

I want to make this statement before you proceed to give me your comments, Mr. Secretary: I am convinced that the fault lies not with the Indian Health Service, for which I have a great deal of admiration, and whose sincere interest in the health of the Indian people is well known. I think Dr. Johnson has done a magnificent job. I want to commend him. I know he has compassion and sympathy, and if it were up to him, we would have field clinics available to all the Indians in America.

Now the budget-makers and the budget-cutters are having a field day at the expense of the American Indian, believe me. The need for more Indian hospitals has been well documented. The Senate Interior Committee found that, of existing Indian facilities, 38 hospitals, 68 health centers, and 240 health stations are at least 20 years old. A special committee of the American Hospital Association has found that only 21 of the 51 existing Indian Health Service hospitals meet their standards of accreditation and that two-thirds of the hospitals are obsolete and 22 need complete replacement. The Indian Health Service itself last year submitted to the subcommittee a list of 36 hospital projects, identified as needing new construction, modernization, or replacement.

Against that background, Mr. Secretary, may I inquire as to the amount of money requested in the President's budget for hospital construction?

Secretary YOUNG. The answer to that question is, in the President's budget, there are no funds being requested for hospital construction.

HOSPITAL CONSTRUCTION COSTS

Senator MONTOYA. What was the request for hospital construction which the Indian Health Service submitted to the Assistant Secretary for Health?

Secretary YOUNG. The Indian Health Service requested hospital construction for eight hospitals, $103 million.

Senator MONTOYA. What facilities would these funds have been used for?

Secretary YOUNG. That you will have to answer—I do not have the list of the eight specific hospitals.

Mr. CHADWICK. Acoma Laguna.

Senator MONTOYA. How much?

Mr. CHADWICK. Acoma is $6,665,000; Bethel, Alaska, $30,550,000; Harlem, Mont., $5,369,000; Santa Fe, N. Mex., $10,416,000; White River, Ariz., $11,347,000; Winslow, Ariz., $10,050,000; Pawnee, Okla., $7,370,000; Rosebud, S. Dak., $10,861,000; and Shiprock, N. Mex., $19,476,000.

Senator MONTOYA. And you got zero from budget?

Dr. JOHNSON. That is correct.

Secretary YOUNG. You got zero in the President's budget.

Senator MONTOYA. Zero from OMB, too.

Secretary YOUNG. That I have no way of knowing, Senator.

Senator MONTOYA. It stands to reason that you did. Were these figures that you read submitted to the Department?

Dr. JOHNSON. Yes.

Senator MONTOYA. Did the Department turn all of these figures down?

Dr. JOHNSON. No; I am sorry——

Mr. CHADWICK. Mr. Chairman, these were our submissions to the Health Services Administration. The Department submitted a budget, including the construction of Acoma Laguna and Santa Fe, and planning for Bethel—the remainder of the planning for Bethel. So the Department-allowed provision was for three construction projects.

Senator MONTOYA. In the full amount that you mentioned? For each of these hospitals?

Dr. JOHNSON. Yes, sir.

Mr. CHADWICK. Except in one case for Bethel planning only.

Senator MONTOYA. Mention the figures the Department submitted to Budget, and the specific items for hospitals.

Mr. CHADWICK. For three items; yes, sir.

Senator MONTOYA. Which ones, and the amount?

Mr. CHADWICK. Acoma Laguna, $5,555,000, and Santa Fe, $9,281,000, and just planning money in the amount of $800,000 for Bethel—that is the second half of the planning.

The reasons for the difference in the two figures for Acoma Laguna and Santa Fe, from what I gave you previously, the first figures that I gave you included equipment. The second $5,555,000, and $9,281,000, respectively, do not include equipment. That would come the following year.

STATUS OF SANTA FE HOSPITAL

Senator MONTOYA. What about Santa Fe? That is construction money, is it not?

Mr. CHADWICK. Santa Fe construction money, $9,281,000.

Senator MONTOYA. Planning and design is already completed for Santa Fe, right?

Mr. CHADWICK. Yes, sir.

Senator MONTOYA. How long has that been completed?

Dr. JOHNSON. It has been completed, Mr. Chairman, for some months now.

Senator MONTOYA. So you would have an immediate need for this money if it were appropriated?

Dr. JOHNSON. Yes.

Senator MONTOYA. How much could you use for this next fiscal year?

Dr. JOHNSON. We could use the entire amount. We would need the entire amount if we were to energize the construction project.

Senator MONTOYA. I want to commend you, Secretary Young, and the Department, and Dr. Johnson for recommending these two New Mexico projects. I have been nursing these projects in this subcommittee for some years. I was wondering when the gestation period would end and they would become a reality.

What about Acoma Laguna?

51-957 O - 75 - pt. 3 - 60

Dr. JOHNSON. The planning is completed for that as well, Mr. Chairman. Upon receipt of the full amount of construction funds, it could be under contract within some 60 days from the receipt of the funds.

Senator MONTOYA. How much would you need for the initial outlay?

Dr. JOHNSON. Our position has been that we should have sufficient funding to complete the project before it starts.

Senator MONTOYA. You have $1 million in funds, do you not?

Dr. JOHNSON. That is correct.

Senator MONTOYA. You have not obligated these funds yet?

Dr. JOHNSON. I think I will let Mr. Young answer that.

Secretary YOUNG. Yes, we do have the million dollars to start construction on this hospital, and on October 17 the Department, meaning me, sir, placed these—asked that these funds be placed in reserve awaiting the—

Senator MONTOYA. What does that mean?

Secretary YOUNG. Under the Anti-Deficiency Act, this is an old practice to set aside funds until the full funds are available. One might argue in a construction project that you could take the million dollars and start your footings. That is not normally considered a wise procedure, so these funds have been placed in reserve under the Anti-Deficiency Act awaiting the outcome of Congress and the Executive working their will.

Senator MONTOYA. How much would you need to extricate these funds from the reservation status?

Secretary YOUNG. It is my understanding that if we began construction of this hospital in fiscal year 1976, the one that starts July 1, that in addition to the million we need $6.5 million in addition; is that correct?

Mr. CHADWICK. 5.555 million if you exclude the equipment.

Secretary YOUNG. Correct. I am talking construction only, minus equipment.

Senator MOHTOYA. It would go beyond the fiscal year in construction anyway. You could get the equipment later could you not?

Dr. JOHNSON. That is correct.

Secretary YOUNG. If you wait until 1977, my numbers indicate you need approximately $7.4 million.

Senator MONTOYA. That is because of inflation and the cost of construction which sets in at the rate of about 12-percent increment a year.

Secretary YOUNG. That is about correct, sir. Construction projects normally run 8 to 12 percent a year.

Senator MONTOYA. Would you have any objection if this committee appropriated enough construction money to go ahead for the one Acoma hospital?

Secretary YOUNG. My impression is that the present administration would oppose this.

Senator MONTOYA. I am talking about you.

Secretary YOUNG. I have no personal views, sir.

LEGALITY OF ACOMA-LAGUNA DEFERRAL

Senator MONTOYA. Did you report this reserve?

Secretary YOUNG. Yes; we reported this reserve under the old procedures. The Antideficiency Act——

Senator MONTOYA. What about the new procedures?

Secretary YOUNG. I think there is some confusion under the new act as to whether this has been properly handled.

Senator MONTOYA. There is, and there is before this committee, too.

Secretary YOUNG. I think our counsel has problems with it. I am quite sure that the people in GAO might have problems with it.

Senator MONTOYA. We have had our people look into it, and we contend that reserve without notification is a violation of the Impoundment Control Act.

Secretary YOUNG. I would probably think that it may be a violation of the Budget Reform Act and the Anti-impoundment Act of last year, which caught us midstream. This action was started about 3 months after the new law was passed. OMB at that time did not have its procedures well articulated, and we have had a lot of problems with the act so far, in knowing precisely what we should do at any time.

It is my impression that this should have been reported to the Congress as a deferral. We took action in HEW to do that about January 10. It is my understanding that the deferral and the deferral message are not before the Congress yet.

NEED FOR THE ACOMA LAGUNA HOSPITAL

Senator MONTOYA. There is no question in your mind that this is a needed facility, is there?

Secretary YOUNG. Sir, I was brought up in a strange way, and I do not have professional judgments in hospital matters.

Senator MONTOYA. You had to have professional judgment or expert advice before you made the decision in submitting the figure to OMB, did you not?

Secretary YOUNG. Yes, indeed. And the esteemed gentleman——

Senator MONTOYA. On the basis of that information which is supplied to you, can't you develop a judgment now?

Secretary YOUNG. Yes; I will make a judgment. Having looked at a lot of communities, not Indian communities, that are not being well served by medical services, there is a great need in this country to upgrade our whole health industry. This would cost many billions of dollars. At the same time this year, we will have to spend at least $18 billion on unemployment insurance. There are a great many demands on this society that I believe in.

But there is a paradox. The paradox is that the demand for public services is insatiable. The desire of the people to pay for these seems to be rather limited.

Senator MONTOYA. That is a beautiful speech, Mr. Secretary, but you are placing the Indians' plight in a panoramic context, which reflects the status of all of the American people.

The American people have had health services and they have had hospitals across the broad expanse of America. Just because you spend so many dollars for private hospitals for non-Indians, that does not mean that you have to judge the request for Indian hospitals in the broad context.

I really do not think that you answered my question, but maybe Dr. Johnson can answer it. Is there a need for construction money and for construction of this hospital for Acoma Laguna?

Dr. JOHNSON. We have discussed the need for health facilities, hospitals, clinics, and so forth, with this committee, with the administration, with the Indian communities, and with professional societies of this county for a number of years.

The proposals that we present to this committee for needs for hospital facilities are based on the combination of those judgments.

From my standpoint—and I do have a professional judgment because that is what I am supposed to be—certainly there is a need for the health facilities, including Acoma-Laguna, that we have presented to this committee as needs for Indian communities.

STATUS OF SANTE FE HOSPITAL

Senator MONTOYA. Is there a need for the Santa Fe hospital?

Dr. JOHNSON. Yes, sir.

Senator MONTOYA. How long has the Santa Fe hospital been in abeyance from the time that it was authorized to the present time?

Dr. JOHNSON. I believe planning funds, Mr. Chairman, were provided in the fiscal year 1972 budget.

Senator MONTOYA. And this has been delayed year after year; right?

Dr. JOHNSON. Of course, it took a year or so to do the planning, so that we would not have been looking for funding until, perhaps, fiscal 1973 or 1974.

Senator MONTOYA. So actually, after planinng we have gone 2 fiscal years without providing anything for construction.

Dr. JOHNSON. Yes. You will recall, Mr. Chairman, there were five facilities for which planning money was appropriated at one time. These were the hospital for the Mississippi Choctaws, and the hospitals at Owyhee, Nev., Claremore, Okla., Santa Fe, and Acoma-Laguna.

Those five planning projects were appropriated at the same time. We have under construction the first three of those five.

Senator MONTOYA. How many health field clinics would you be able to start with about $1 million?

Dr. JOHNSON. If you are talking about Federal construction, we are talking about one major health center, or two to three of the health stations.

UNMET HEALTH NEEDS AND BUDGET ALLOWANCES

Senator MONTOYA. The committee would like to know where you and your agency feel the real health program needs are. Accordingly, please submit a statement showing your initial budget request, the amounts allowed by the Department and the final OMB allowance, by activity and subactivity.

Dr. JOHNSON. We will submit it for the record, Mr. Chairman.

[The information follows:]

The Indian Health Service feels that the primary program needs are in the areas of preventive health services, making up the backlog of service needs, and in quality assurance. Preventive health services needing to be stressed include maternal and child health, gastroenteritis, communicable diseases such as tuberculosis and veneral disease, and environmental health sanitation and construction. Backlogged service needs include eye refractions, eye glasses, dental services, and surgical operations and procedures. Quality assurance includes staffing and adequacy of health care facilities and services. The Indian Health Service also places major emphasis on the problems of otitis media, mental health, oral health, alcoholism, and in the development and support of tribal health operations. The following table reflects the distribution of program increases by activity and sub-activity.

[Dollar amounts in thousands]

	1976 IHS Request[1]		DHEW allowance[1]		OMB allowance[1]	
	Positions	Amount	Positions	Amount	Positions	Amount
1976 BUDGET REQUEST						
Hospital care	425	$10,500	82	$7,092	.....	$3,027
Contract care	.....	2,000	.....	1,064	.....	.....
Total, patient care services	425	12,500	82	8,156	.....	3,027
Sanitation	60	900	8	540	.....	.....
Dental	43	650	.....	520	.....	.....
Public health nursing	50	750	.....	450	.....	.....
Health education	43	650	.....	425	.....	.....
Field medical services	151	7,310	11	5,010	.....	1,645
Ambulatory care	100	1,500	40	1,500	.....	1,050
Total, preventive health and ambulatory care	447	11,760	59	8,445	.....	2,695
Program management	.....	.....	.....	.....	.....	.....
Total	872	24,260	141	16,601	.....	5,722

[1] Excludes 184 mandatory positions and $24,395,000.

STAFFING OF NEW FACILITIES

Senator MONTOYA. A good portion of your budget increase involves staffing of newly constructed facilities. For your entire budget, how many new positions are requested for new or recently completed facilities?

Dr. JOHNSON. We are requesting 184 new positions for the operation of newly constructed facilities.

Senator MONTOYA. Please break down your total personnel increase by facility and supply it for the record.

Dr. JOHNSON. I will be glad to.

[The information follows:]

Personnel increase by facility

Facility	*Positions*
Zuni, N.Mex., hospital	91
Owyhee, Nev., hospital	22
Philadelphia, Miss., hospital	50
Lame Deer, Mont., clinic	16
Tohatchi, N. Mex., clinic	3
Riverside, Calif., clinic	2
Total	184

HOSPITAL HEALTH CARE REQUEST

Senator MONTOYA. Under your hospital care subactivity you are proposing your main program increase. How is this increase distributed among the three areas listed in the justification—hospital care, laboratory service and otitis media?

Dr. JOHNSON. Of the three elements, Mr. Chairman, our major effort is going to be made in the areas of hospital care and in otitis media. Hospital care, of course, is that part that provides the basic inpatient services in our system of 51 hospitals.

We would be looking to spend, perhaps, one-third or a little better of that program increase, between a third and a half of the program increase for that. The laboratory services request is relatively small, but I think quite important quality improvement. We will be talking there of spending perhaps $350,000 program increase for that.

Then the remainder of the funding would be to expand the otitis media program which we have discussed with the committee quite extensively over the years. We are beginning to see some major inroads in the tremendous backlog. We believe it is critically important to move forward on that this year.

Senator MONTOYA. These programs do not involve any additional positions, do they?

Dr. JOHNSON. No, sir, they do not.

Senator MONTOYA. How will the inpatient care increase—strengthen that program?

Dr. JOHNSON. As I mentioned in my opening remarks, the thing that concerns us the most is the burden of patient care on the field staff—the doctors, the nurses and other people in the hospital that have to provide for the tremendous increases of patients who need complex care, who need sympathetic and concerned support.

And yet when you have so many patients and so few people to do it, you simply cannot do the kind of job you need to do, so the staff becomes discouraged and the patients become discouraged and the whole process of improving health care through a delivery system can unravel in that process.

I just felt that this was the major impact that we ought to make, to try to get some help out there in the field to improve the quantity and quality of services that are available at the reservation level. All of this money we are talking about is expenditure that will take place at the reservation level, or the hospital clinic facility level.

Senator MONTOYA. Since these program increases do not involve additional positions, how will the additional funds be utilized?

Dr. JOHNSON. Without additional positions, the funds would be utilized for contracting for the services.

OTITIS MEDIA PROGRAM

Senator MONTOYA. Last year this committee added funds to your budget to expand the otitis media program. Yet your program increase will reach only 65 percent of the Indian population. How much funding would be needed to reach most Indians?

Dr. JOHNSON. Our feeling in looking at the total need for otitis media, Mr. Chairman, is that we should have total funding in the otitis media program of roughly $5 million.

Senator MONTOYA. Additional?
Dr. JOHNSON. That would be the total.

DECLINE IN BIRTHS

Senator MONTOYA. Your hospital statistics show a decline in births. Do you know why this is happening?

Dr. JOHNSON. There are a couple of things that are a factor there, Mr. Chairman. One, of course, is that in concert with the general trends of births in the United States, the Indian birth rate is declining. Family planning services are available freely and are being utilized by the Indian people at their choice. I think that is the major reason for the decline.

One other thing we might comment on which has a minor impact. We have been encouraging the delivery of Indian patients close to home if this is possible. For example, in Alaska we encourage the patients to deliver in the community hospital, if there is one close by, rather than going to one of our facilities. So we cover some deliveries under the contract medical program. It would be a combination of those two factors.

CONTRACT HEALTH CARE

Senator MONTOYA. You requested a $5 million increase for contract care, and you state in your justifications that this is entirely for rising costs. Do you consider the contract care program to be at an adequate level?

Dr. JOHNSON. Mr. Chairman, we do have in the contract program, and we continue to have, a fairly significant backlog, as we point out in our justification. We are in a position now, assuming that our cost expectations are met in the real market, we are anticipating about a 14-percent cost increase in the cost of medical care this year.

Assuming that it stays at that level or below, we will be, over the next several years, able to eliminate this backlog. It is possible to eliminate it faster, given additional resource. But we are, at least, making a significant impact on it at this time.

Senator MONTOYA. We will be in recess for about 5 minutes. Before we formally recess, may I interject that we have with us today another distinguished citizen of New Mexico, Representative Hoyt Patterson, who is the minority floor leader of the house of representatives, representing your party, Mr. Young.

Secretary YOUNG. I am glad a few of us are left.

[Whereupon, a short recess was taken.]

HOSPITAL PER DIEM INCREASES

Senator MONTOYA. The committee will be in order. Now, Dr. Johnson, your cost increases include a 15-percent jump in the per diem rate alone. Isn't your estimated per diem rate of $142 on the high side even for hospitals?

Dr. JOHNSON. We do not believe so, Mr. Chairman. We have had some spectacular increases in per diem costs. For example, we have had hospitals in the past year that have increased their per diem costs anywhere from 25 percent to one that had a 314-percent increase. We are basically at the mercy of private hospitals. When they set the rates, we have no choice but to pay them.

DENTAL COST INCREASES

Senator MONTOYA. Your increased costs for dental services is increasing at a slightly higher rate than that for physicians' services. Why is this?

Dr. JOHNSON. This has been, again, an historical assessment on our part. We are simply identifying what our experience has been in the marketplace. It is just an experience and we project on the basis of our past experience and on the basis of projected cost increases in the community.

Our experience over the years has been that our actual costs tend to run a little bit higher than the general U.S. rate. In part I think that is due to the fact that in most of the places where we have to do contracting there is no competition.

Senator MONTOYA. They are always very happy to have you; are they not? Why can't you bargain for a better rate? The Government usually can do that.

Dr. JOHNSON. There are a couple of things on that. One is, if they are the only game in town, they can tell us "Go elsewhere." And if there is no elsewhere to go, what you have really done in the bargaining process is eliminate a health service resource for that Indian community.

TRAVEL COSTS

Senator MONTOYA. They had better not read this record, or they will hold you up.

Your itemization of patient care funding shows a 41-percent increase of more than $1 million for travel. Since your patient and escort travel is up only about $300,000, what is the need for this sharp increase in travel?

Dr. JOHNSON. I think I will let Mr. Chadwick answer that one.

Mr. CHADWICK. You are talking about travel as a whole, Mr. Chairman?

Senator MONTOYA. Yes, for patient care.

Mr. CHADWICK. Let me explain it in total, Mr. Chairman, and then get to the patient care part of it, if you will.

Senator MONTOYA. Why don't you do this. Why don't you supply a table showing your actual travel spending for 1974 and estimated for 1975, the current fiscal year, and then for 1976, and now explain why this additional request for travel, under the patient care category.

Mr. CHADWICK. OK.

[The table follows:]

INDIAN HEALTH SERVICES APPROPRIATIONS
Analysis of Travel Requirements - FY 1974, 1975, 1976

	1974 Column of 1975 President's Budget	1974 Actual	1975 President's Budget	1975 President's Budget - Less 5%	1975 Approp. Revised	1976 President's Budget	1976 President's Budget vs. 1975 Approp. Less 5%	1976 President's Budget vs. 1975 Revised	1976 Revised Estimate
Patient Care Travel									
Change of Station ...	$ 285,000	$ 172,000	$ 200,000	$ 181,000	$ 181,000	$ 181,000	$ 0	$ 0	$ 181,000
Home Leave	30,000	35,000	30,000	30,000	30,000	30,000	0	0	30,000
Health Delivery	2,040,000	2,876,000	2,290,000	2,134,000	3,382,000	3,182,000	1,048,000	-200,000	3,500,000
All Other	175,000	210,000	210,000	200,000	210,000	210,000	10,000		210,000
TOTAL	2,530,000	3,293,000	2,730,000	2,545,000	3,803,000	3,603,000	1,058,000	-200,000	3,921,000
Total Travel									
Change of Station ...	552,000	345,000	545,000	545,000	545,000	450,000	- 95,000	- 95,000	560,000
Home Leave	70,000	82,000	70,000	70,000	70,000	80,000	10,000	10,000	90,000
Health Delivery	5,197,000	6,173,000	5,270,000	5,233,000	7,035,000	6,680,000	1,447,000	-355,000	7,400,000
All Other	884,000	967,000	852,000	552,000	650,000	670,000	118,000	20,000	670,000
TOTAL	6,703,000	7,567,000	6,737,000	6,400,000	8,300,000	7,880,000	1,480,000	-420,000	8,720,000

TRAVEL REQUIREMENTS

Mr. CHADWICK. When we submitted our estimate to you last year we were basing it on our 1973 actual experience. After we submitted a 1975 estimate, we got an add-on by the Congress in 1974 of $7.3 million and a supplemental at the end of the year, primarily for contract patient care and ambulatory care for $6.5 million. This caused our experience in 1974 to be approximately $1 million more than what we had originally estimated. In turn, we had estimated on that basis for 1975. During that time, at one point during this year there was legislation cutting travel back 5 percent. This reduced our already short estimate in travel for 1975 by 5 percent.

We were not asked to carry this artificially low estimate into 1976, so what appeared to be a substantial increase in 1976 over 1975, when we submit the chart to you that you have asked for, it will show that they are comparable, with just a minor increase.

PHYSICIAN BONUS ACT

Senator MONTOYA. Do your budget requests for personnel compensation allow for the provisions of the Physicians Bonus Pay Act?

Dr. JOHNSON. Yes.

PREVENTIVE HEALTH CARE

Senator MONTOYA. I am going to have to go to the floor to vote. I am sorry I have to interrupt the hearing so much. I think I can ask another question.

Your preventive health care activity is next, and it includes a $13.7 million increase and 108 new positions. Are all those positions tied to staffing new facilities?

Dr. JOHNSON. That is correct, Mr. Chairman.

Senator MONTOYA. Your proposed increase of $582,000 under the dental program of preventive health is mainly to cover facility staffing and cost increases. Is any program expansion involved?

Dr. JOHNSON. The program increase in there would be the result of the opening of new facilities. For example, the $582,000—the program part of that increase would be for the staffing of the Zuni hospital, the Lame Deer Health Center, the Choctaw Mississippi new hospital and the dental clinic addition to Tohatchi, N. Mex.

Those would, in fact, be program increases in the sense that additional services are going to be provided by that staff.

PROVISION OF DENTAL SERVICES

Senator MONTOYA. I note that you anticipate giving dental services to nearly 46 percent of the Indian population. What is your ultimate goal?

Dr. JOHNSON. Ultimately, Mr. Chairman, we believe that we have a demand population. We would say that in any one given year approximately 55 percent of the total population would be coming for

services. We believe we ought to be able to provide total services for that percentage of the population.

Senator MONTOYA. For 55 percent?

Dr. JOHNSON. Right. The reason for that is that our experience and the experience in dental practice in this country and prepayment plans and so forth, never do 100 percent of the population either need or come for care. And it would be inappropriate for us to design a system that is unrealistic.

Senator MONTOYA. Actually, this translated into actuality means that you are delivering dental services to 100 percent of the Indian population; is that right?

Dr. JOHNSON. No. This would mean——

Senator MONTOYA. To 100 percent of those that need it.

Dr. JOHNSON. That would be true, if we were meeting our program goal. Our program goal is some distance down the road.

PROVISION OF DENTAL SERVICES

Senator MONTOYA. Please indicate what level of actual need is being served by your total dental request.

Dr. JOHNSON. The level of actual need that will be served by Indian Health Service resources in fiscal year 1976, including the mandatory increase of $582,000, is about 46 percent of the dental services required by the American Indian and Alaska Native Poulation. This is based on projections which show that only about 55 percent of the population will require dental services in any given year.

PUBLIC HEALTH NURSING CARE

Senator MONTOYA. Your figures for the proposed $4.8 million program in public health nursing indicates you are reaching only about 30 percent of the needy Indian families. What is your ultimate goal?

Dr. JOHNSON. We estimate that 90 percent of the Indian population needs or would benefit from public health nursing services. Our ultimate goal is to reach this 90 percent.

Senator MONTOYA. I have 5 minutes to go and make that roll call, so we will be in recess until I return.

[Whereupon, a short recess was taken.]

FIELD MEDICAL SERVICES

Senator MONTOYA. The subcommittee will be in order. Your proposed $6.4 million increase for field medical services includes a $645,000 program increase for preventive health services. How is this funding allocated between eye care and mental health?

Dr. JOHNSON. Mr. Chairman, in the eye care program that we have been dealing with before the committee for some time now, we are looking at expanding our ability to provide optometry services and eyeglass services basically out in the Indian communities. We have found that it takes about $54,000, the total program cost, to provide the total eye care program for a population of an Indian community

of, say, 9,000 to 10,000. Our hope with this particular program would be to expand into a number of additional communities through this money.

The same thing would be true in mental health. We are in the process of contracting with the tribes for mental health workers.

There are no positions in our program increases this year. As I mentioned earlier we have a ceiling on dollars and also on personnel. It was necessary for us to develop programs without additional positions. We would have to use funding for both eye care and mental health, which would be done through the contract mechanism.

TRIBAL PROGRAMS

Senator MONTOYA. There is also a $1 million program increase for tribal programs. Please show how the total request is distributed and indicate where the increases are being applied.

Dr. JOHNSON. I have a table here that reflects the funding in fiscal year 1975 and fiscal year 1976 for tribal programs. The increase will be utilized to fund tribal programs that have passed the development stage and are ready to provide operational activities.

[The information follows:]

TRIBAL PROGRAMS

[In thousands of dollars]

	Fiscal year—	
	1975 estimate	1976 estimate
Urban projects	1,132	1,132
Tribal development	1,211	1,211
Tribal operations		1,000
CHRIB	2,270	2,270
Hoopa	500	500
Alaska Federation		2,465
Red Lake		600
Community health representative	14,396	18,108
All other	3,705	4,261
Total	23,214	31,547

CALIFORNIA RURAL INDIAN HEALTH BOARD

Senator MONTOYA. How does the allocation to the California Rural Indian Health Board compare to 1975 funding?

Dr. JOHNSON. The 1976 request includes a transfer of $687,000 from the "Health service" appropriation for the California Rural Indian Health Board which does not constitute an increase in the funding level but rather a change in the source of funding.

URBAN PROJECTS

Senator MONTOYA. Your justification states that funds will go to nine pilot urban health projects. When was each of these urban health projects established?

Dr. JOHNSON. I will submit a table that identifies the nine pilot urban projects and the year appropriated.

[The information follows:]

Urban Indian pilot health projects

Project	*Year appropriated*
Minneapolis	1972
California Urban Indian Council	1973
Oklahoma City	1973
Seattle	1973
Chicago	1974
Milwaukee	1974
Denver	1974
Dallas	1974
Portland	1974

Senator MONTOYA. Supply the location and funding for these urban health projects, and indicate what they are accomplishing.

Dr. JOHNSON. I shall submit that for the record Senator.

[The information follows:]

Funding and location of urban projects

Project	*Amount*
Minneapolis, Minn	$150,000
California Urban Indian Council	354,000
Oklahoma City, Okla	98,000
Seattle, Wash	98,000
Chicago, Ill	85,000
Milwaukee, Wis	85,000
Denver, Colo	85,000
Dallas, Tex	85,000
Portland, Oreg	60,000
Undistributed	32,000

The urban projects are accomplishing the following objectives:

(1) Identifying community health resources that can be effectively utilized by Indian people;

(2) Assisting these health resources in serving the Indian people of the community;

(3) Assisting Indian people in becoming familiar with and in utilizing these resources;

(4) Identifying gaps between resources and needs; and

(5) Producing recommendations to resource agencies on methods of improving health service programs to meet the needs of urban Indian people.

LEASING OF ALASKA CLINICS

Senator MONTOYA. What amount is included for leasing and equipping Alaska health clinics? Please supply a detailed breakdown for the record.

Dr. JOHNSON. The fiscal year 1975 level of funding for the village-built clinic program is $748,000. This includes funds for leasing and fully equipping 129 clinics. The increase requested for fiscal year 1976 is $100,000 which will provide for the leasing and equipping of an additional 13 clinics. The total number of clinics required is determined by the number of villages having community health aides. At the present time there are 156 villages having aides. Since 14 villages had adequate preexisting space, the presently funded 129 clinics and the requested additional 13 clinics represents the presently identified need.

COMMUNITY HEALTH REPRESENTATIVES AND ALASKA AIDES

Senator MONTOYA. A large portion of your field health services increase is for increased costs of community health representatives and Alaska Community Health Aides. Please bring us up to date on these programs and explain the cost increases.

Dr. JOHNSON. At the end of fiscal year 1975 a total of 1,218 community health representatives will have been trained and employed. An additional 250 CHR's will be trained in fiscal year 1976. The fiscal year 1976 cost increases requested for the CHR program are: Full-year cost of 250 CHR's trained in 1975, $2,841,000; increased contractual level of 968 CHR's employed in 1975, $623,000; increased contractual level of 250 CHR's in training in 1975, $96,000; for a total CHR increase of $3,560.000. The current level of funding for the community health aide program is $2,634,000. This includes funding for 185 aide positions which are located in 156 villages in the remote parts of Alaska. The increased contractual level for the 185 aides in fiscal year 1976 is $152,000.

AMBULATORY CARE

Senator MONTOYA. For ambulatory care there is a $5.8 million increase, most of it for cost increases and for staff for new facilities. Would you please explain the sharp cost increases listed for supplies and contractual services?

Dr. JOHNSON. Those are again both based on our experience in the cost of things that we have to buy to operate our clinic facility. Mr. Chadwick, I am sure, could give you the specific elements in those.

Mr. CHADWICK. Mr. Chairman, our experience in contract costs has been a 15-percent increase and in supplies an 18-percent.

Senator MONTOYA. You base the request on that?

Dr. JOHNSON. That is based on that, yes, sir.

Senator MONTOYA. You list a $1 million program increase for ambulatory care but no additional positions relate to that increase. How will the additional funds be spent?

Dr. JOHNSON. Those funds, Mr. Chairman, will be primarily spent through the contract mechanism. We will hope to develop contracts with the universities, for example, with tribal organizations to deliver certain health services, primarily in the preventive areas.

As I mentioned earlier, we have a personnel ceiling for that and we would then have to use the contract mechanism for that, to get that done.

PROGRAM MANAGEMENT CUTBACK

Senator MONTOYA. What was involved in the fiscal year 1975 cutback in program management listed in your justification?

Dr. JOHNSON. The cutback represented a 5-percent reduction of the 1975 President's budget for program management. This cutback resulted from a general cutback in DHEW.

Senator MONTOYA. How was this cutback applied? Was it mostly in travel?

Dr. JOHNSON. The cutback in program management was applied to personnel services for pay act costs.

CONSTRUCTION RESTRAINTS

Senator MONTOYA. Turning now to your construction budget, the request is for $41.4 million in new appropriations, a reduction of nearly $16 million from appropriations to date for fiscal year 1975. This will provide an obligation program in fiscal year 1976 of $42.3 million, which is $18.1 million under the current program.

Dr. Johnson, this budget in effect funds only one construction project—staff housing for the Owyhee Hospital in Nevada. The balance is for equipment and sanitation facilities. Yet your justification states that planning is completed or nearly completed on at least four other projects. Please list them for the record and provide construction estimates for each. Also indicate their relative priorities.

Dr. JOHNSON. Yes, Senator.

[The information follows:]

STATUS OF SELECTED PROJECTS

Location—Priority Hospitals—New and Replacement	*Construction amount*
1. Santa Fe, N. Mex., replace hospital	$9,281,000
2. Bethel, Alaska, replace hospital [1]	27,400,000
3. Whiteriver, Ariz., replace hospital	9,900,000
Modernization and Repair	
4. Shiprock, N. Mex., moderize hospital	19,300,000

[1] Includes balance of planning funds ($800,000).

UNOBLIGATED BALANCES

Senator MONTOYA. With such a restrained construction program, why do you anticipate there will be an unobligated balance of nearly $2 million at the end of fiscal year 1976?

Dr. JOHNSON. The unobligated balance at the end of fiscal year 1976 represents funds held for change orders and contingencies from many sanitation projects and for Owyhee, Nev., quarters.

Senator MONTOYA. Please supply the individual project amounts you anticipate will be unobligated.

Dr. JOHNSON. Yes, sir.

[The information follows:]

Activity:	*Unobligated balance, end of fiscal year 1976*
Sanitation facilities (Public Law 85-151)	$1,928,000
Personnel quarters:	
Owyhee, Nev., 13 units	23,000
Total fiscal year 1976 estimated unobligated balance	1,951,000

CLAREMORE HOSPITAL EQUIPMENT COSTS

Senator MONTOYA. Why is the estimate for the Claremore Hospital equipment so much higher than other equipment items?

Dr. JOHNSON. Equipment cost for hospitals is closely related to the size and complexity of the facility. The Claremore Hospital has both operating rooms and an intensive care unit not provided at either of

the other facilities, plus larger diagnostic departments such as radiology and pathology. Such diagnostic departments are comparatively more expensive to equip. The Claremore facility size is also approximately twice the size of Philadelphia and over three times the size of the Owyhee facility.

SANITATION FACILITIES

Senator MONTOYA. Your sanitation facilities estimates stay about the same level in fiscal year 1976. What portion of your fiscal year 1976 estimate, if any, was included in your estimates for the emergency employment appropriation?

Dr. JOHNSON. None, Senator.

CONSTRUCTION TRAVEL AND PERSONNEL

Senator MONTOYA. Why do you list a $148,000 travel increase for your otherwise reduced fiscal year 1976 construction program?

Dr. JOHNSON. Mr. Chairman, the travel reflected is practically all conducted in our sanitation construction program. The obligational rate for sanitation construction is practically the same for fiscal year 1975 and fiscal year 1976. The reason there is a lesser travel amount indicated in fiscal year 1975 is that we were instructed to reduce the current year estimate by $120,000 to conform with Public Law 93–554 the Supplemental Appropriations Act of fiscal year 1975. I am happy to report that subsequent to the preparing of this budget the reduction was repealed by Public Law 94–6 and the $120,000 is available for use in fiscal year 1975.

Senator MONTOYA. How many personnel, permanent and temporary, are budgeted for your construction account? Please supply a personnel summary.

Dr. JOHNSON. We have no permanent staff in our construction account. We estimate that sanitation facilities construction will generate 550 intermittent man-years in fiscal year 1976 and that there will be approximately 400 of these employees on duty at the end of the year.

TRANSITION REQUIREMENTS

Senator MONTOYA. Why does your July–September transition period construction request contain only sanitation facility estimates? Doesn't this mean that the start of any medical facility construction would have to be delayed until the 1976 summer season?

Dr. JOHNSON. That would be correct.

Senator MONTOYA. Is that proper?

Dr. JOHNSON. It is consistent with the administration decision not to proceed with any hospital construction during this particular budget season.

SANITATION FACILITIES FOR EXISTING HOMES

Senator MONTOYA. Let's go back to sanitation facilities. Do you have enough money for that?

Dr. JOHNSON. We believe we have adequate funding in the budget to respond to the new homes being built in Indian communities by HUD programs, by the Bureau of Indian Affairs programs and by

the other new housing programs. We have also made provision in the budget to cover the existing homes that would be located in those communities in which new housing is going to be built.

Senator MONTOYA. Are you speaking of the existing homes and not the new constructions?

Dr. JOHNSON. We have for the newly constructed homes, we have funding for that. That is approximately 8,000 homes that we expect to be built under the various housing programs. In addition to that, we have another 1,500 homes that we believe will be located, this is an approximation, of course, in the communities in which the new homes are being built.

Senator MONTOYA. Will those be new homes, too?

Dr. JOHNSON. No. Those will be existing homes. It is our belief, for example, if you go into a small village, let's take in Alaska, and we have 25 existing homes in that village, and they are going to put in another 25 new homes, it seems to us prudent management to develop and put in a water system, a waste disposal system which would serve the entire community of 50 homes, and not just half of it.

Senator MONTOYA. That is the point I am trying to make. As you will recall a few years ago you were using this money strictly for new construction, and ignoring the existing homes. Is it your practice now to provide some money out of this funding for bringing sanitation facilities to the existing homes in the Indian villages?

Dr. JOHNSON. I think we need to be very clear on this one, Mr. Chairman. The traditional, regular projects where you go into a community that has no new housing and provide sanitation facilities to the homes that are existing there, those particular homes are not provided for in this budget.

Senator MONTOYA. They have been in the past, haven't they in the past 2 years?

Dr. JOHNSON. That is correct, but they are not provided for in this budget.

Senator MONTOYA. Did you make the request of OMB for this?

Dr. JOHNSON. Yes, sir, we did.

Senator MONTOYA. How has the program worked which was initiated I believe 2 years ago when I discovered that you were not spending any money for sanitation facilities for existing homes. How has that worked since?

Dr. JOHNSON. We have been able to handle a good number of existing homes, as we were discussing earlier. For example, in 1974 we were able to provide services to over 6,000 existing homes from that.

Senator MONTOYA. Isn't that the greatest need in this particular category? There are more existing homes than new construction in the pueblos and Indian villages. Why are we ignoring that now in this budget?

Dr. JOHNSON. Mr. Chairman, let me go back to my earlier statement. Given the ceilings that we had to work with, this was the best we could do. I thought that it was mandatory for us to provide services to new homes that were being constructed. I did not think we could build new homes and not have sanitation facilities for them. Obviously that was the first priority. The second priority it seemed to me would be to provide the services for the existing homes in conjunction with the new housing, like the village I mentioned earlier. After that comes

51-957 O - 75 - pt. 3 - 61

all the others. We have perhaps 20,000 homes that have never been served at all. Those are the ones, of course, that are not, simply could not be reached within the priorities of our budget ceilings.

EMERGENCY EMPLOYMENT PROGRAM

Senator MONTOYA. You are going back to the old system of ignoring existing homes in this budget.

Dr. JOHNSON. To put everything on the record, Mr. Chairman, in the emergency employment appropriations program that I testified on before this committee just a few weeks ago, we got a lot of the existing homes in there.

Senator MONTOYA. I recall the committee's recommendations on that. How much of the total was for sanitation facilities?

Dr. JOHNSON. We presented to you a total of about $32 million. Of that about $20 million would have been various sanitation projects, most of which would have provided sanitation facilities to existing homes.

NEED FOR NEW CHEROKEE HOSPITAL

Senator MONTOYA. Senator Morgan has asked me to submit these questions to you, Doctor. A request has been made by the Eastern Band of the Cherokee Nation for an appropriation to construct a new hospital facility to replace the present 26-bed unit. Do you feel this new facility is necessary? And, if so, why?

Dr. JOHNSON. Mr. Chairman, the present Cherokee hospital is some 40 years old, or better. It was built substantially of stone, but it does not and cannot meet fire and safety codes. The nature of the construction is such that it would be prohibitive to try to do this.

It is functionally obsolete. It is obviously overcrowded, although we have done a number of things to try to help this. As a matter of fact, a year ago, in working with the Eastern Band of Cherokees they constructed an outpatient clinic, adjacent to the hospital, so we got a little elbow room that way. But it is a facility badly needed for the people in that community. There are no alternative resources convenient to them. The current facility simply is not acceptable, and cannot be made acceptable to modern health standards. From that standpoint, unquestionably it should be replaced.

Senator MONTOYA. What is the status of planning and design for this replacement facility?

Dr. JOHNSON. We have had no planning funding for it. We have done the preliminary work—the needs assessment and the program feasibility. But there have been no planning funds provided for it.

Senator MONTOYA. What is the estimated total cost?

Dr. JOHNSON. The total cost would be approximately $500,000 for the planning and approximately $6 million for the construction costs.

Senator MONTOYA. That is all——

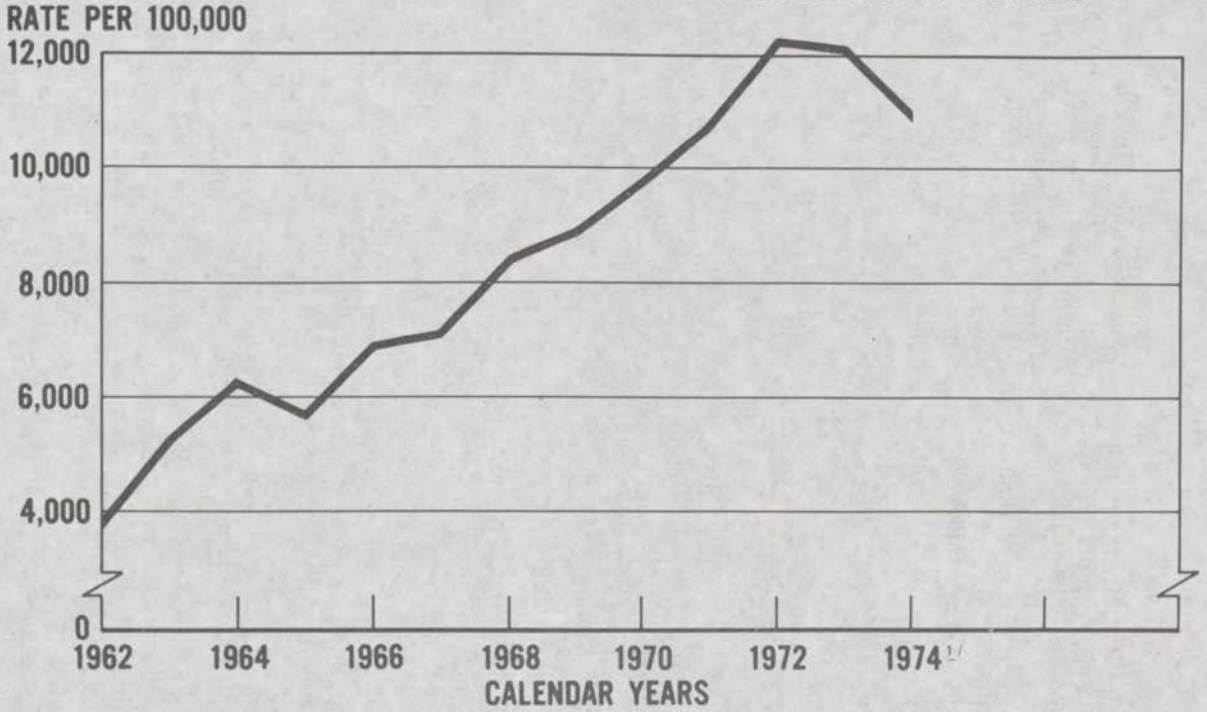
OTITIS MEDIA PROGRAM

Senator STEVENS. I have a few questions, Mr. Chairman. I note your chart on otitis media. I thought there had been a more perceptible impact of the program we instituted in regard to otitis media. Are those figures right, that even after we put additional people to work on it it still went up? We started that in 1970 and it appears to have gone up about 25 percent after that.

[The chart follows:]

INCIDENCE RATES FOR OTITIS MEDIA

INDIANS AND ALASKA NATIVES IN RESERVATION STATES



1/ PROVISIONAL

Dr. JOHNSON. We have to be a little careful with that kind of a chart. What has happened, the first large upswing in the chart does not necessarily represent new disease. It simply represents the discovery and identification and documenting of the disease.

You always find this when you start a new program where you are going to go out and screen. As we have done this in otitis media, we have screened 50,000 people in a year. When you do that, there is no question that you are going to find disease that previously was unreported. The mother does not know that the child has defective hearing. Unless the ear is actually draining, it would not be apparent to the mother.

So I think the major impact of the chart, Senator, has been simply identifying cases that were already there. It makes it look bad in the beginning, I admit that. But the key is, having identified these people, we are now able to provide treatment and are increasingly able to supply the definitive surgery.

For example, in Alaska when we were first involved up there, we were talking about having 25 percent of the kids in the community with chronic otitis media. That is just a tremendous incidence.

Now, those kids today in these villages are now getting down to where we are seeing an incidence rate of only about 3 percent. It is our expectation that over the next several years, that will get down, perhaps, to the 1 percent that we find in the general community. We have gone from 17, 20 percent, down to 3 percent.

Senator STEVENS. I misunderstood the chart. It is really a chart of the treatment rate, then, is that right?

Dr. JOHNSON. Of the diagnoses, the number of cases that have been diagnosed. When you are looking for them, then you find them, you report them and it makes your statistics look worse. But it is beginning to come back down, and that tells me something.

INFANT DEATH RATES

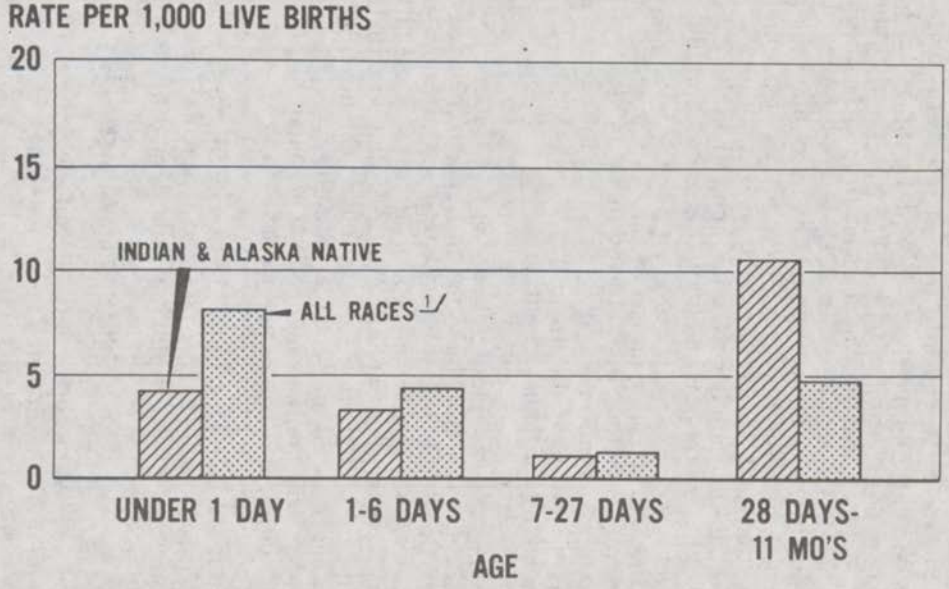
Senator STEVENS [presiding]. One of the other charts that struck me was this chart No. 3, infant death rates by age of death. It says that all of the rates are estimated, except for the 28 days and 11 months which is provisional. That is the one that reverses the picture that is portrayed by the first three, 1 day, 6 days, and 27 days. What does provisional mean in those circumstances?

First, without objection, we will include the infant death chart and all the other charts in the record.

[The charts follow:]

INFANT DEATH RATES BY AGE AT DEATH

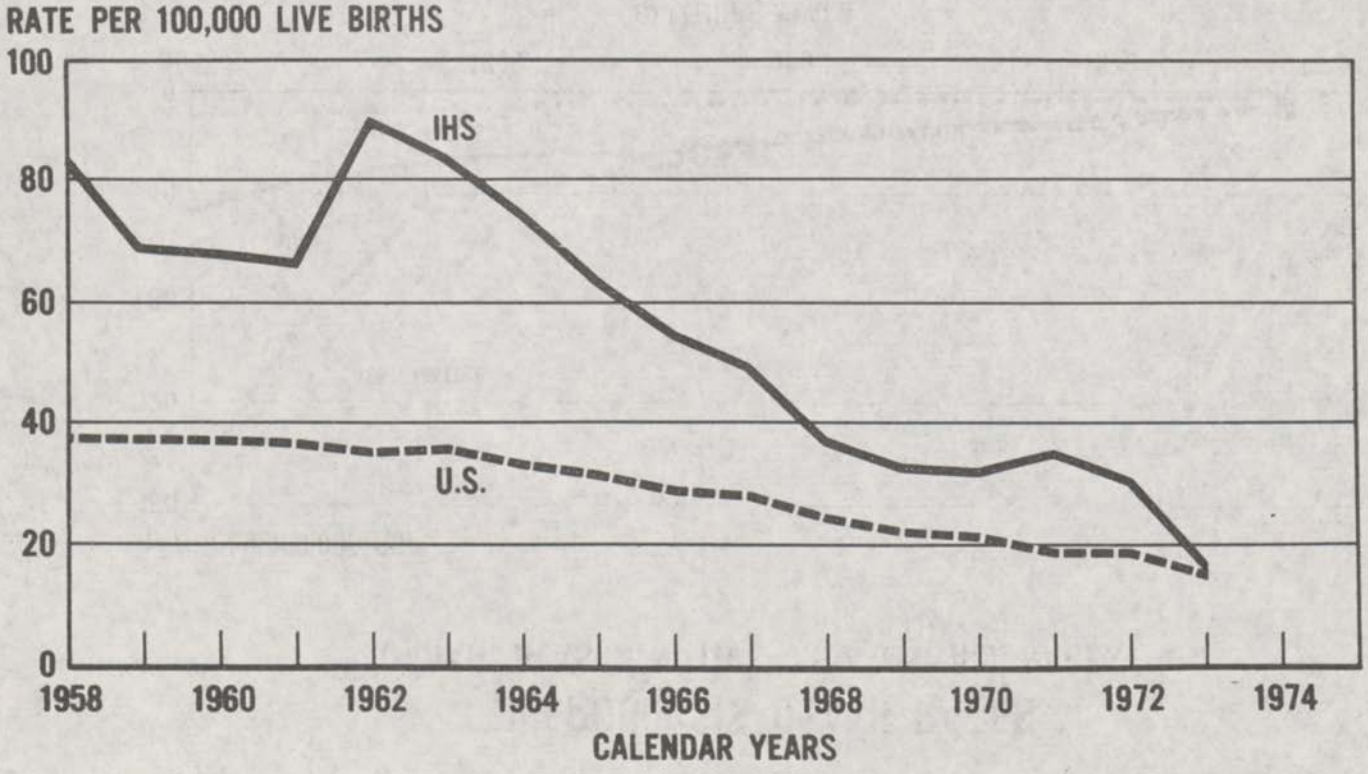
INDIAN AND ALASKA NATIVE, AND U.S. ALL RACES CALENDAR YEAR 1973



1/ ALL RACES RATES ARE ESTIMATED EXCEPT 28 DAYS - 11 MONTHS WHICH IS PROVISIONAL. MONTHLY VITAL STATISTICS REPORT, NCHS, VOL. 22 NO. 13.

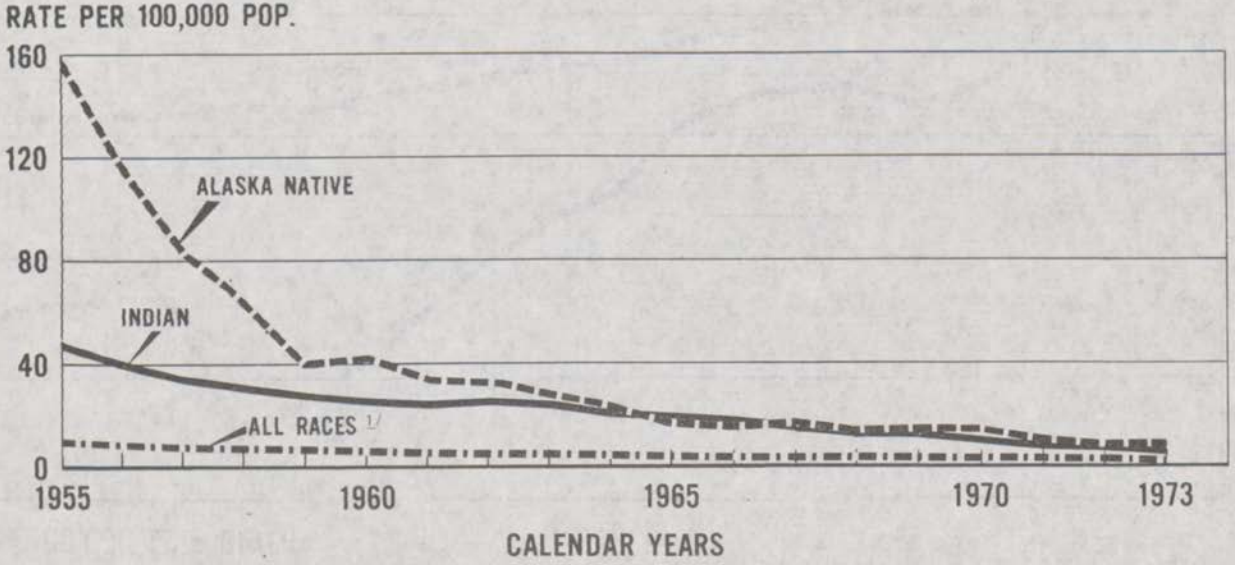
MATERNAL DEATH RATES

INDIANS AND ALASKA NATIVES COMPARED TO U.S.



963

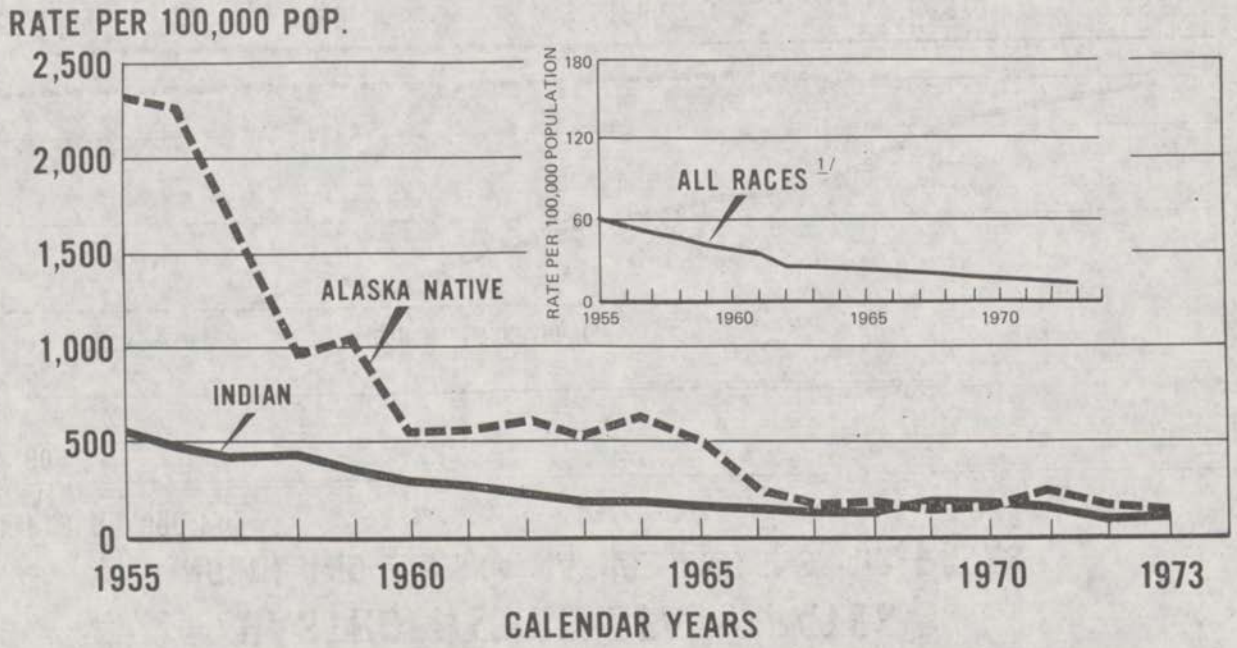
TUBERCULOSIS DEATH RATES *
INDIAN, ALASKA NATIVE, AND U.S. ALL RACES



*INDIAN AND ALASKA NATIVE RATES ARE BASED ON 3-YEAR MOVING AVERAGE THRU 1972. ALL OTHER RATES ARE BASED ON SINGLE YEAR DATA.

1/ PROVISIONAL MONTHLY VITAL STATISTICS REPORT, NCHS VOL. 22 NO. 13, 1973

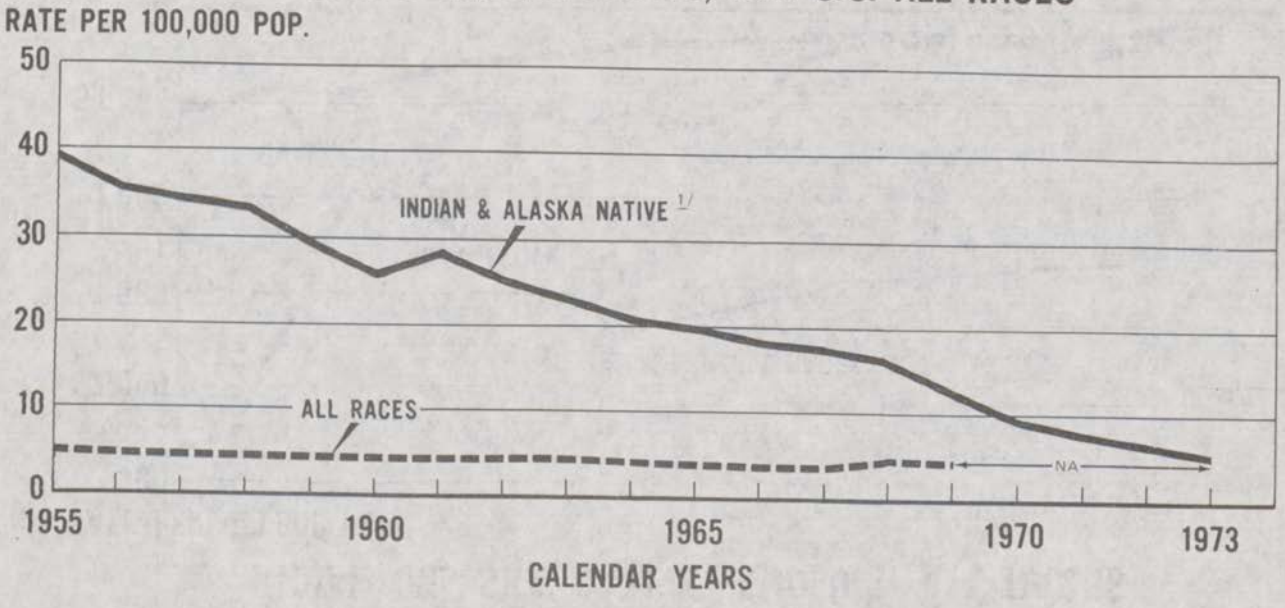
INCIDENCE RATES FOR TUBERCULOSIS
INDIAN, ALASKA NATIVE, AND U.S. ALL RACES



1/ PROVISIONAL, MORBIDITY AND MORTALITY, CDC, VOL. 22 NO. 53. 1973

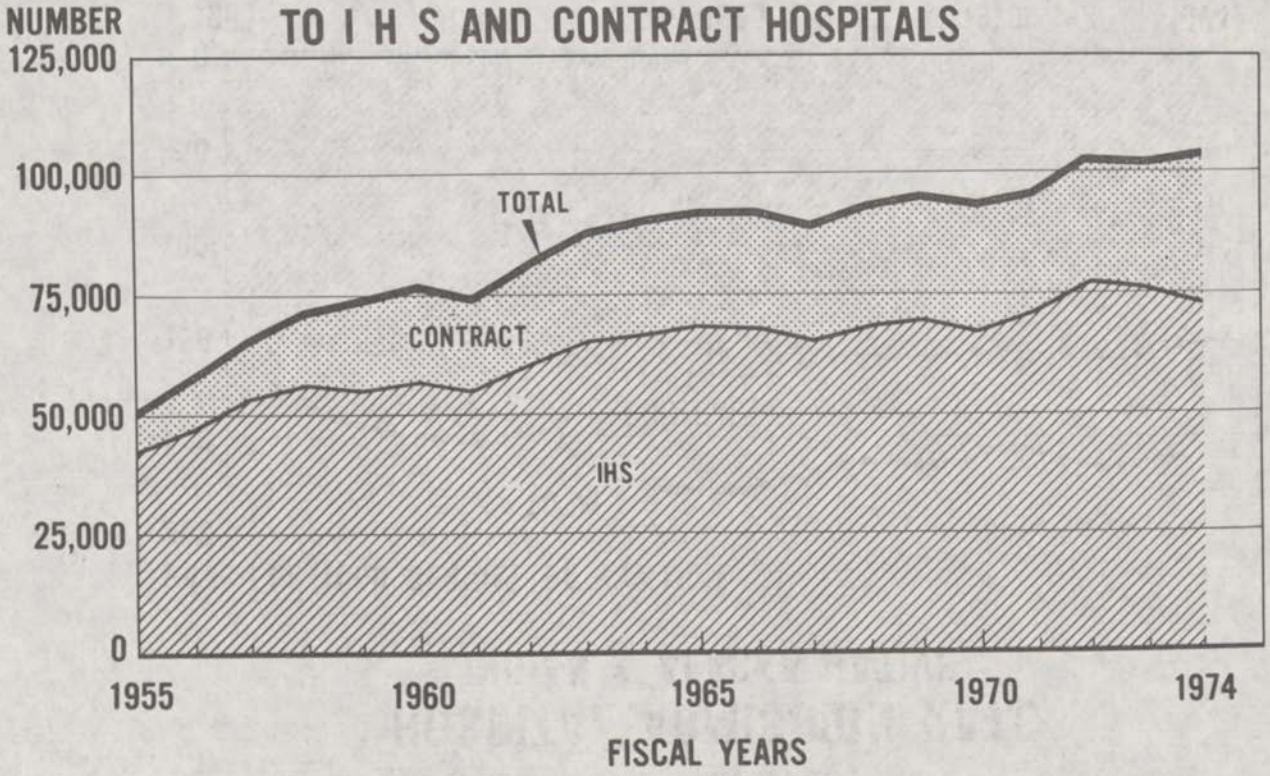
GASTROENTERIC DEATH RATES*

INDIAN AND ALASKA NATIVE, AND U.S. ALL RACES

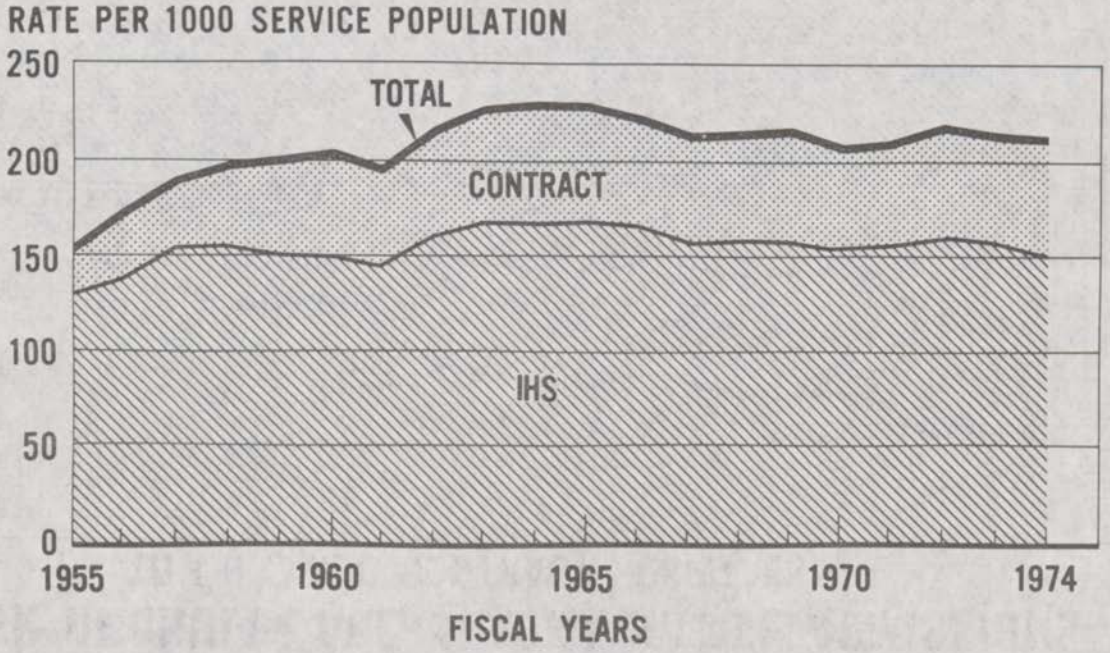


*INDIAN AND NATIVE RATES BASED ON 3-YEAR MOVING AVERAGE THRU 1972. ALL OTHER RATES BASED ON SINGLE YEAR DATA.
NA NOT AVAILABLE

NUMBER OF INDIAN AND ALASKA NATIVE ADMISSIONS TO I H S AND CONTRACT HOSPITALS

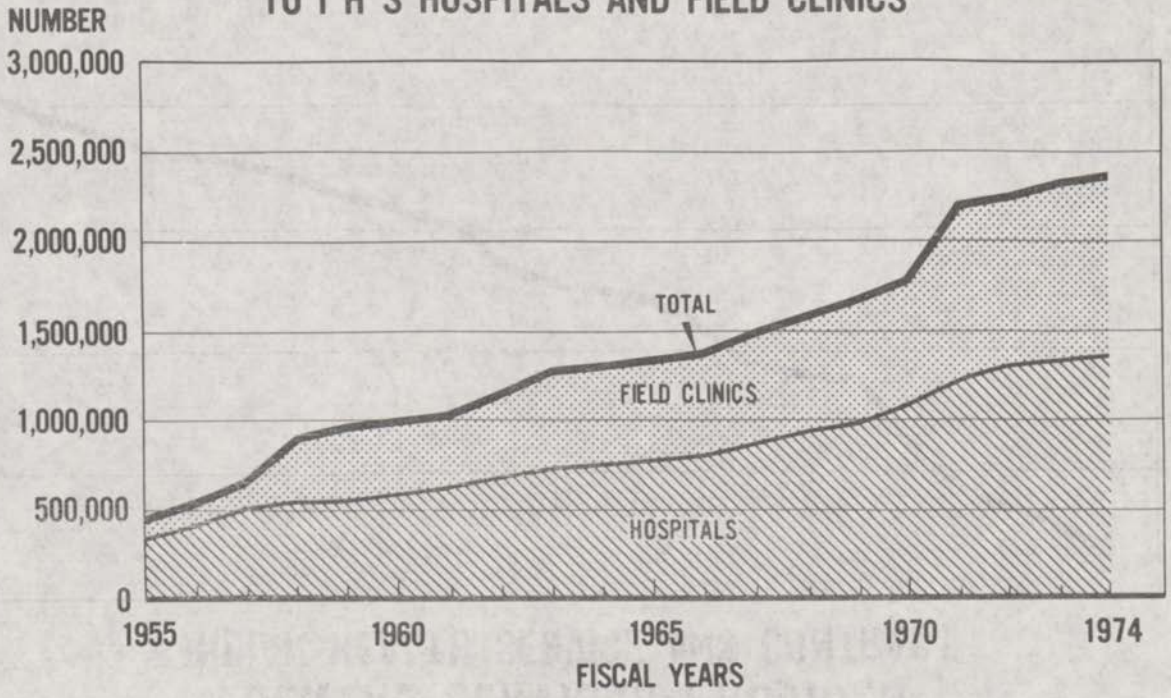


HOSPITAL ADMISSION RATE
INDIAN & ALASKA NATIVE

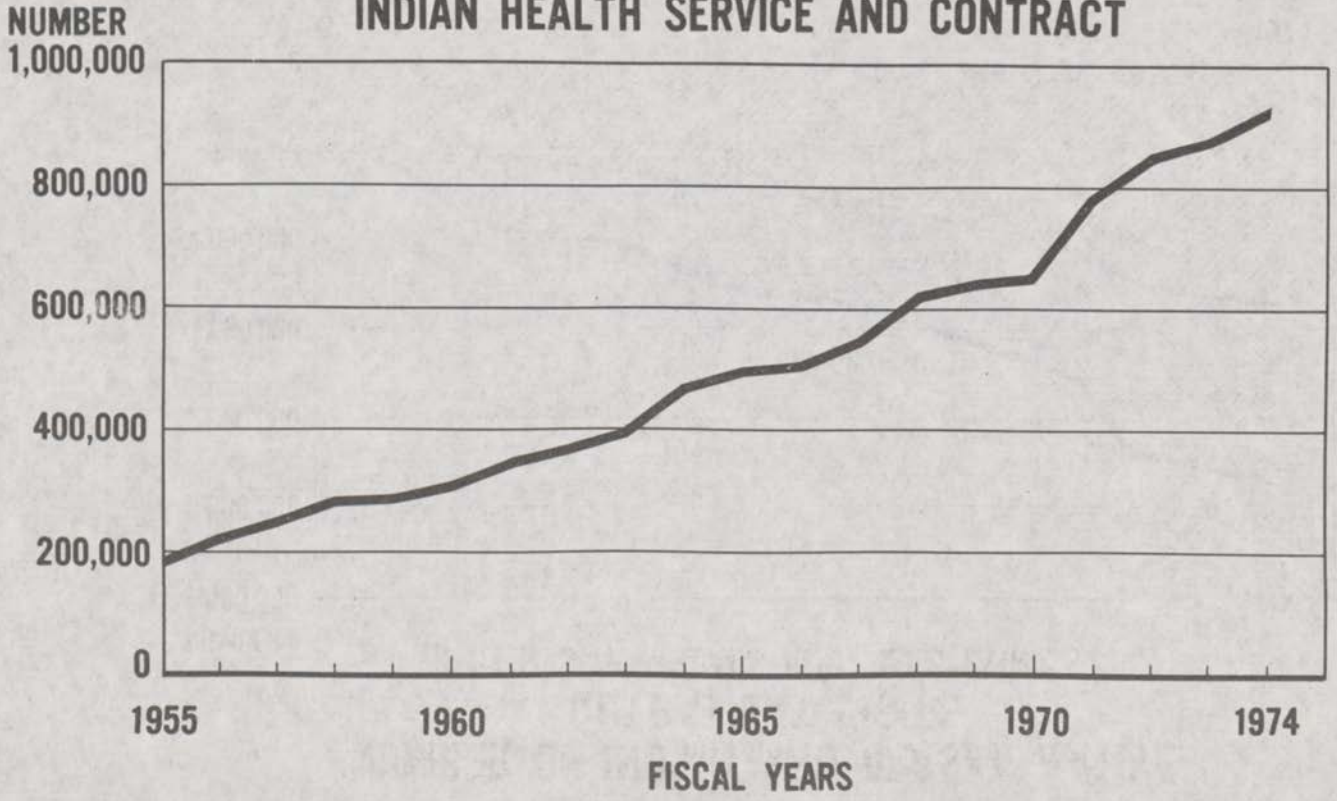


NUMBER OF INDIAN AND ALASKA NATIVE OUTPATIENT VISITS

TO I H S HOSPITALS AND FIELD CLINICS



DENTAL SERVICES PROVIDED
INDIAN HEALTH SERVICE AND CONTRACT

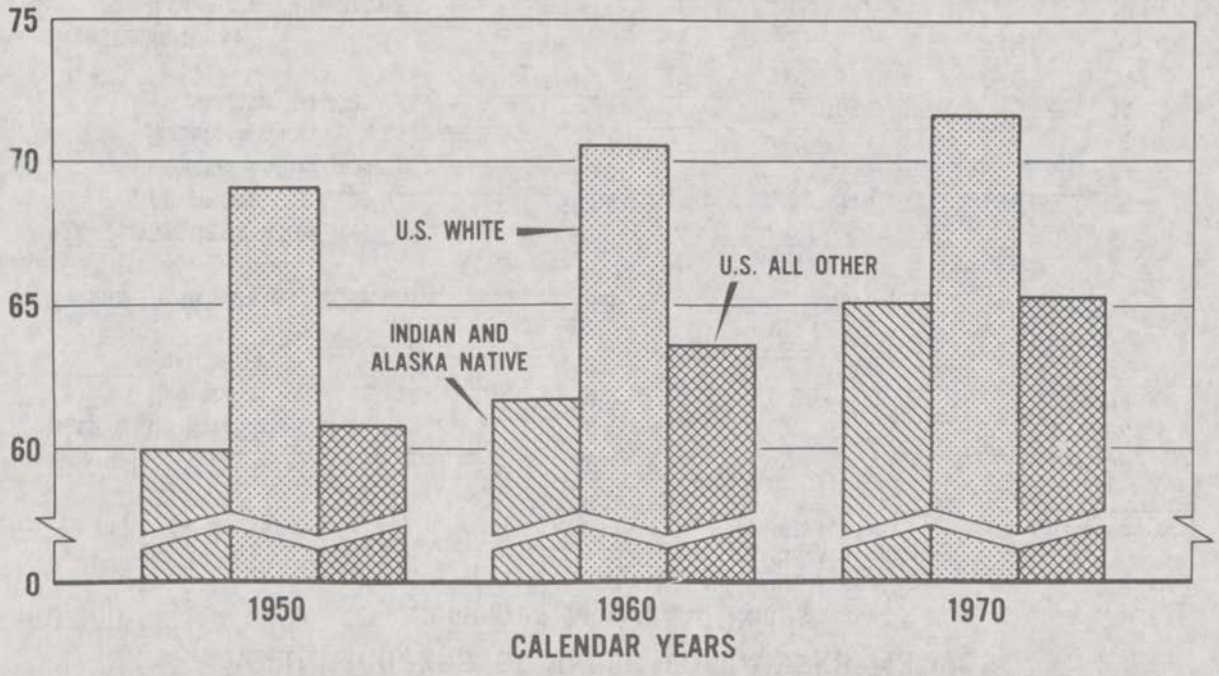


Health Indexes of Indian and Alaska Natives
Compared to U.S. All Races

Characteristics	IHS	Year in which U.S. Rate Approximates 1973 IHS Rate	Difference in Years
Birth Rate	30.9	*	NA
Infant Death Rate	19.5	1971	2
Neonatal	8.9	**	NA
Posteonatal	10.6	1948	25
Maternal Death Rate	16.8	1971	2
Age-adjusted Death Rates			
All causes	968.8	1944	29
Influenza and Pneumonia	49.9	1946	27
Diabetis Mellitus	28.4	*	NA
Tuberculosis, all forms	9.1	1954	19
Crude Death Rates			
Influenza and Pneumonia	41.1	1947	26
Diabetes Mellitus	20.4	1949	24
Tuberculosis, all forms	6.0	1959	14
Gastroenteritis, etc.	5.5	1952	21

* NO U.S. RATE ON RECORD AS HIGH ** NO U.S. RATE ON RECORD IS AS LOW NA NOT APPLICABLE

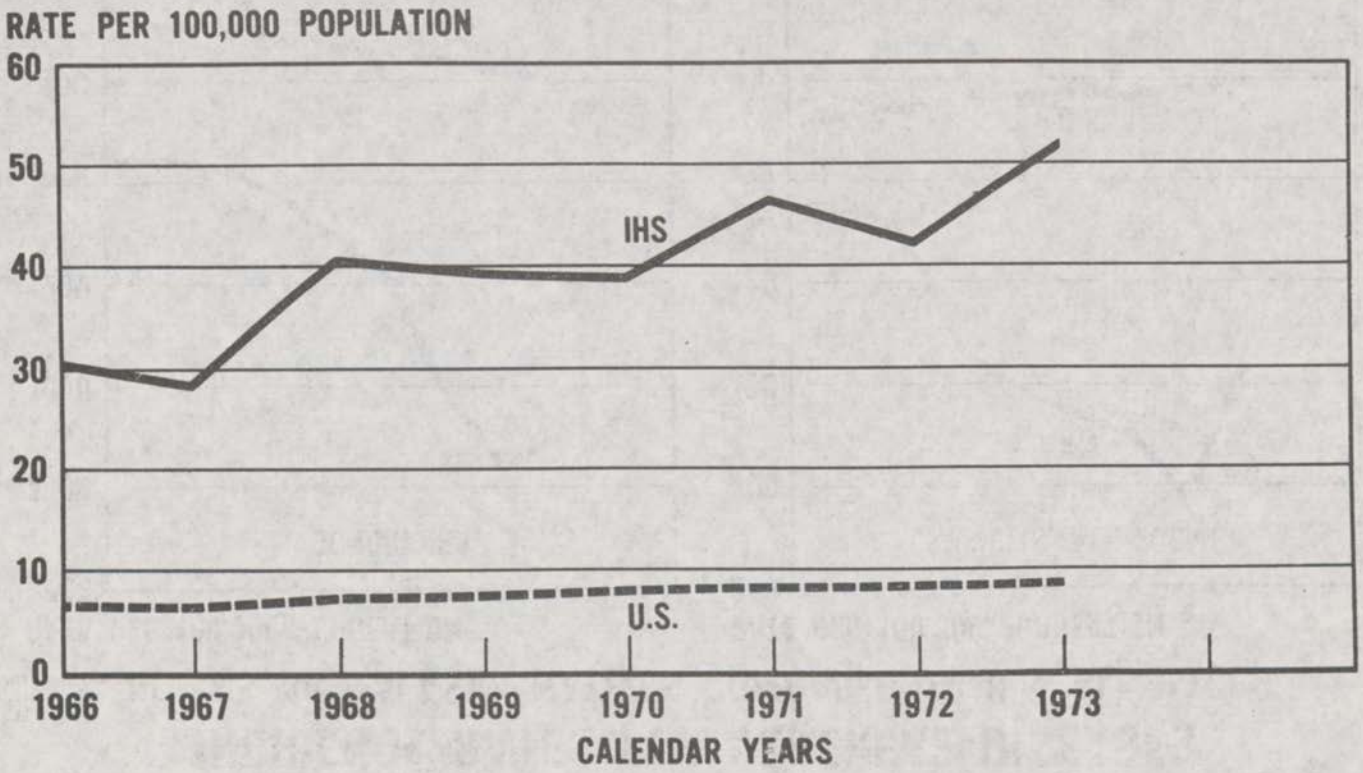
LIFE EXPECTANCY AT BIRTH,
INDIAN & ALASKA NATIVE, U.S. WHITE, U.S. ALL OTHER



51-957 O - 75 - pt. 3 - 62

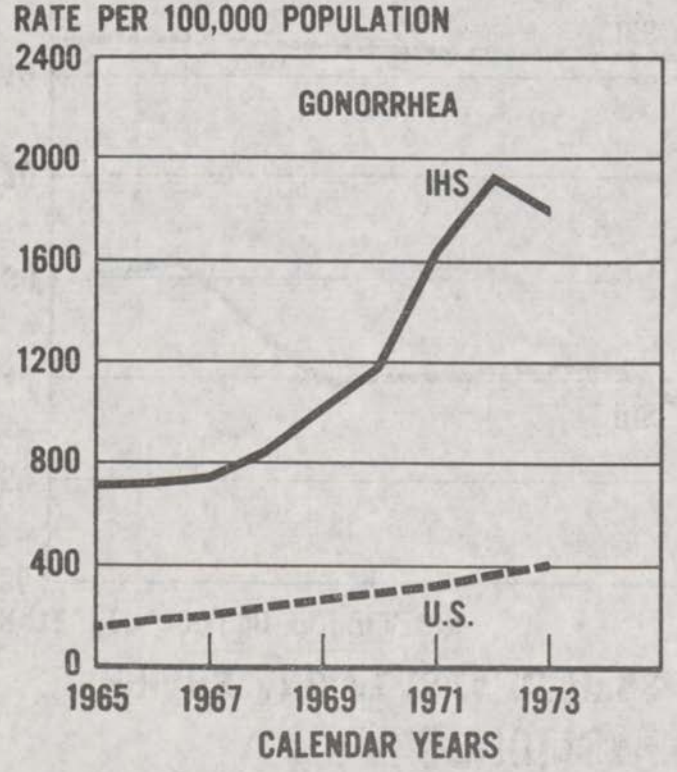
ALCOHOLISM DEATH RATES

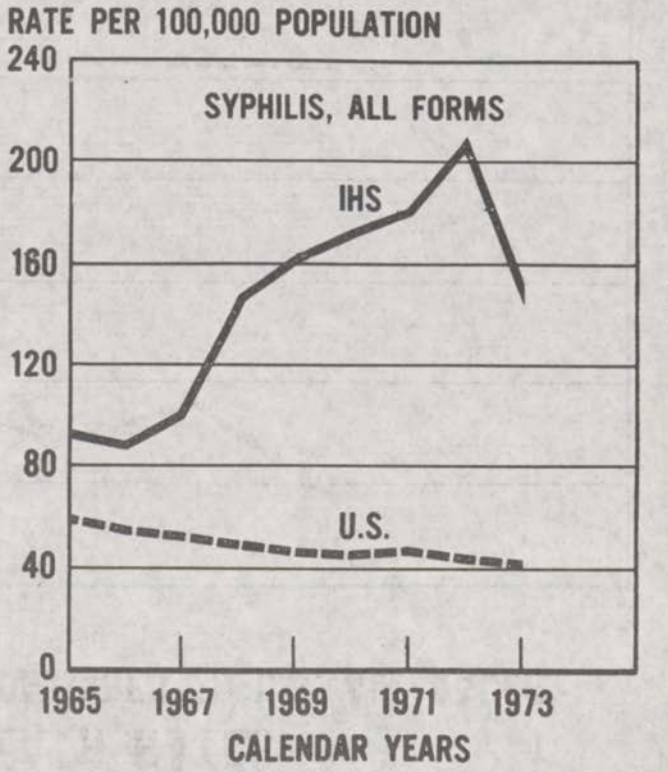
INDIANS AND ALASKA NATIVES COMPARED TO U.S. ALL RACES



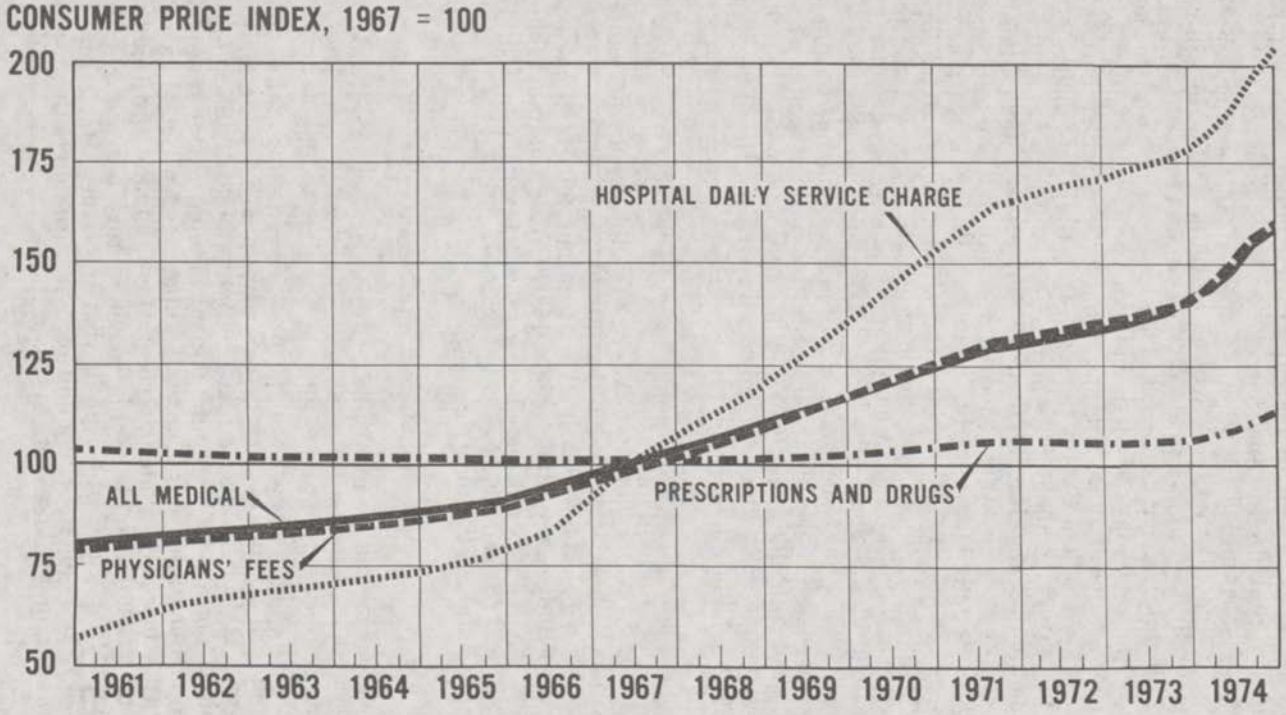
INCIDENCE RATES FOR VENEREAL DISEASES

INDIANS AND ALASKA NATIVES COMPARED TO U.S. ALL RACES





MEDICAL CARE COST



SOURCE: Consumer Price Index
Bureau of Labor Statistics

Dr. JOHNSON. These are statistics provided by the National Center for Health Statistics for the Department.

Senator STEVENS. Does it really mean that the incidence is still twice that for all other races in terms of Indians and Alaskan Natives, for those children who live beyond 28 days and 11 months?

Dr. JOHNSON. That is correct. This has been historically the problem. In the early days of birth, in the first week or so, they do pretty well. It is when they go back home into the villages—here is where we are talking about the problems of sanitation that Senator Montoya and I were talking about, nutrition ——

Senator STEVENS. But the first three charts show that it is less than all other races up to 28 days; and after 28 days it is worse.

Dr. JOHNSON. That is right. And after 28 days is when the impact of the environment into which the child has to return makes its weight felt. As bad as that might appear, I think we need to point out that a few years ago that line that now shows about 10 would have been off this chart; it was up in the 20's. But that shows where the real impact has to be made. If you are going to make an impact in reducing infant mortality, it has to be done by working in the home. It is not something that will be done in the hospital or at the time of delivery. This is where the preventive services, the village services, become most important.

UNMET NEEDS FOR ALASKA

Senator STEVENS. How much is your present level of funding for Alaska? What is the backlog at the present time?

Dr. JOHNSON. The 1975 level of funding for IHS operations in Alaska including pay acts is $42,048,000. The funding backlog for Alaska is currently estimated to be $32,294,000 for health services, $125,471,000 for construction of health facilities and $185,625,000 for environmental health construction.

SAFETY CODE STANDARDS

Senator STEVENS. Is money being allocated in the fiscal year 1976 to bring health facilities, hospitals, clinics up to safety code standards and accreditation?

Dr. JOHNSON. In fiscal year 1976, some of the M and R funds requested will be used to bring four additional hospital facilities up to National Fire Protection Association standards for a total of 35 hospitals out of 51 meeting national standards. Of the 16 health facilities remaining, 4 are currently under construction to be replaced. The 12 others are unable to meet these standards without major modernization or complete replacement. In regard to accreditation, we currently have 25 of 51 hospitals that meet these standards. An attempt will be made to bring additional facilities up to these standards within the requested fiscal year 1976 program.

SANITATION FACILITIES BACKLOG

Senator STEVENS. How much of a backlog exists in IHS sanitation projects?

Dr. JOHNSON. Assuming that the Indian housing programs will continue to address the needs of the people, we currently estimate a backlog of unmet needs which will cost approximately $396 million based upon 1976 construction costs. This backlog does not include the work covered by the fiscal year 1976 request. These needs include facilities to serve new and rehabilitated housing units, first service and upgrading of facilities for existing homes, capital improvements to previously built community water and sewer systems, and the establishing and equipping of tribal operations, maintenance, and solid waste organizations.

Senator STEVENS. With such a backlog in sanitation projects, why is it that no money has been appropriated for sanitation for existing housing?

Dr. JOHNSON. The program increases provided in 1976 to us, Senator, for the total Indian health program were such that I made the decision to apply those increases to the services appropriation. It was deemed the need to provide health services to the Indian community was so great and the unmet need so significant that the $5.7 million program increase allowed in 1976 could best be utilized by spreading services over all the Indian communities rather than use any of it for construction which could only affect two or three small groups ultimately. While it is true that this year's request does not include funds for our so-called regular projects it does provide funds to serve existing homes and communities in concert with our housing program. In 1976 we will serve about 1,500 existing homes and perhaps more if the housing agencies are unable to meet their target of new homes for the year.

LACK OF NEW POSITIONS

Senator STEVENS. This may have been covered earlier, but it is my understanding that $5.7 million has been allocated for program increases in IHS but no additional positions have been authorized. Why is this? Aren't additional positions going to be needed with the additional workload? If additional positions were authorized how many would be needed?

Dr. JOHNSON. Your understanding is correct. Based on administration policies no positions were authorized for program increases. Yes; an additional 188 positions are required.

MENTAL HEALTH PROGRAM IN ALASKA

Senator STEVENS. The Alaska Native Health Service has listed as one of its priorities the development of a full-range, high-quality mental health service. What is being done to assist ANHS in this endeavor?

Dr. JOHNSON. The Alaskan Native Health Service is fully represented as one of 10 area mental health programs, and as such receives its proportional share of all mental health program money. It is included in all requests for mental health program resources and will continue to receive its share of all moneys that are appropriated.

Senator STEVENS. What is the present level of funding for mental health programs in Alaska?

Dr. JOHNSON. Of $3,617,500 appropriated through 1975 for mental health, $423,000 is allocated to Alaska. In 1976, Senator Stevens, the request contains an increase of $245,000 for mental health of which $22,500 is earmarked for Alaska.

Senator STEVENS. What level of funding will be needed to improve these services in the coming year?

Dr. JOHNSON. Based upon current information an additional $300,000 is required for the Alaskan program to alleviate the marked disparity between funding level and mental health workload.

DENTAL PROGRAM

Senator STEVENS. What is the present workload of the IHS dental program? Do you have sufficient staff to meet these needs? What level of funding is necesary to provide adequate staffing?

Dr. JOHNSON. Fiscal year 1974 data indicate for the total program that 927,701 dental services were provided and that about 2,199,000 dental services were required to serve 55.4 percent of the American Indian and Alaska Native population. The Indian Health Service does not have sufficient staff to meet these needs. An additional 281 positions and $5,500,000 in the direct dental program and $3,086,000 in the contract dental program are needed to provide adequate staffing to meet these needs.

AMBULATORY CARE PROGRAM IN ALASKA

Senator STEVENS. In regard to the ambulatory care program in Alaska—those in Anchorage, Barrow, Bethel, and Fairbanks—what is its status?

Dr. JOHNSON. The Alaska Native Medical Center at Anchorage was not designed to accommodate a large ambulatory care program. Over the years, the facility has evolved from a tuberculosis hospital into the largest short-term general hospital in the State. It now has, in addition to 24-hour emergency room coverage, a large general clinic and full range of specialty clinics. Past renovations have not met the burgeoning space needs, nor has the staffing pattern been adequate to provide the necessary services.

At the Barrow Hospital changing health needs have placed a heavy emphasis and workload on outpatient services. Outpatient services have experienced a steady increase and there is no indication that this trend will change in the foreseeable future. A recent remodeling project has provided an increased amount of space that would allow for an expanded ambulatory care program. However, the facility does not have an adequate staff, nor the personnel quarters needed for the additional staff.

The Bethel Hospital has also recently been remodeled to provide increased ambulatory care space. But it does not have the staff to provide the level of care needed. Staff housing is also inadequate. The contract boarding home programs, which provides temporary lodging for outpatients receiving care, and discharged patients awaiting a flight home, also needs expansion.

The Fairbanks Health Center was built in conjunction with the Fairbanks Community Hospital. At the current program level, it is difficult to meet the various demands for health care due to the limitations of available physical space. Its workload has dramatically increased as a result of pipeline construction impact. The workload is expected to increase and remain permanently above the level that can be properly handled within the staffing pattern and space available.

Senator STEVENS. What is the present level of funding for the ambulatory care program at Anchorage, Barrow, Bethel, and Fairbanks? What will be needed to carry out these programs adequately in the future?

Dr. JOHNSON. The present level of funding for ambulatory care at Anchorage Service Unit, is $1,736,000; at Barrow Service Unit, $300,000; at Bethel Service Unit, $942,000; and at Fairbanks Service Unit, $386,000. The present level of funding is inadequate to meet the additional requirements placed upon the ambulatory care program. In order to adequately meet the fiscal year 1976 needs exclusive of major construction projects, the amount of additional funds above the present level of funding needed at Anchorage is $633,000 for health services, and $744,000 for construction activities; at Barrow $65,000 for health services, and $300,000 for housing construction; at Bethel $232,000 for health services, and $1,500,000 for housing construction; and at Fairbanks $200,000 for health services.

SANITATION FACILITIES FOR NEW HOUSING

Senator STEVENS. What type of sanitation services do you provide for new housing projects? Do you have sufficient levels of funding and personnel?

Dr. JOHNSON. The types of services and facilities we provide for new housing projects depends on two factors: The agency sponsoring the project; and whether the homes are to be clustered or scattered. We have a mutual understanding with HUD and BIA that we are responsible for conducting site investigations, soil tests, and construction inspection for sanitation facilities.

The Service is also responsible for funding and building all offsite facilities, such as community systems, to serve the housing units. The agency building the house is responsible for the interior fixtures and plumbing and when it is a HUD project such agencies are also responsible for other facilities on the house lot or within the project site boundaries. Except for interior plumbing and fixtures the Indian Health Service provides all facilities for homes constructed under the BIA program.

Homeowner training services are also provided in cooperation with the tribes and their housing authorities. With regard to the levels of funding and personnel we believe that they are sufficient; however, we must admit that since we do not at this time know the exact location and distribution of the proposed new housing units, the possibility does exist that we could have problems in either or both of these areas. Hopefully, the final geographical distribution and numbers of proj-

ects will be compatible with existing IHS staff distribution and with the cost estimates we have made based upon past experience.

AVAILABILITY OF ALASKA HEALTH AIDES

Senator STEVENS. Do you have enough health aides at the present time to meet the needs of rural and the remote areas of Alaska?

Dr. JOHNSON. No. The 185 health aides currently authorized are not sufficient to adequately meet the needs identified by the Alaska Native Health Service in conjunction with the Alaska Native Health Board.

Senator STEVENS. What is your present level of funding for health aide programs? How much would be required to meet the needs of rural and remote Alaska?

Dr. JOHNSON. The 1975 level of funding for the community health aide program is $2,634,000. An additional $152,000 has been requested to meet increased contractual costs in fiscal year 1976. The cost of employing an additional 20 aides in fiscal year 1976 would be approximately $255,000.

Senator STEVENS. How many additional health aides would it take to adequately meet these needs?

Dr. JOHNSON. The identified need is for an additional 20 health aides.

Senator STEVENS. Would it be feasible to utilize some of the 250 additional CHR's per fiscal year in Alaska as tribal health workers?

Dr. JOHNSON. Yes. In addition to the need for additional community health aides, the Alaska Native Health Service and the Alaska Native Health Board have identified the need for several categories of tribal outreach health workers for which community health representative positions could effectively be utilized. This includes workers in such areas as mental health, nutrition, eye care, dental care, and environmental health.

COMPARATIVE TRANSFERS

Senator STEVENS. What is the content of the $3,752,000 comparative transfer from the "health services" appropriation?

Dr. JOHNSON. This transfer includes $2,465,000 for Alaska Federation, Alaska Native Health Program Development; $687,000 for the California Rural Indian Health Board and $600,000 for Red Lake Tribal Council—for provision of comprehensive health services.

Senator STEVENS. How much of the $2,465,000 for the Alaska Federation is being utilized for projects that have now become operational in the delivery of health services?

Dr. JOHNSON. $1.3 million.

Senator STEVENS. Would it not be better to add $1.3 million to the operation budget in order that the entire $2,465,000 could be utilized to initiate new development projects.

Dr. JOHNSON. Yes.

CONTRACTING

Senator STEVENS. Let me go into something else that I would like to pursue on the record. This is in terms of the contracting out. What is your target for contracting out the operation of any of your facilities under the concept of self-determination?

Dr. JOHNSON. Senator Stevens, I do not think it would be appropriate for us to have a target.

Senator STEVENS. What do you have scheduled then?

Dr. JOHNSON. I would not have a schedule either. As I understand the intent of the Indian Self-Determination Act, it was intended to do that—to let them determine what they would like to contract, and at what rate, and where.

Senator STEVENS. How many have you contracted out, and how many applications do you have pending?

Dr. JOHNSON. That is something else again. We can talk about that, but I do not want to ever get in the position where the Federal agency is beginning to decide or has targets or schedules, because it seems to me that then you create a potential for coercion or otherwise unduly influencing the decisionmaking process in the Indian community.

We reject that. At the moment, of course, we have some 60 different contracts with various tribal groups for different kinds of activities. We have, perhaps, two dozen of those, and these are estimates.

PERSONNEL CEILINGS

Senator STEVENS. This comes out of the conversation we had, Doctor. What happens to the personnel ceiling in those cases?

Dr. JOHNSON. Again, this is my judgment, that the personnel ceiling will be inoperable or simply unfeasible if you are getting into a situation where a tribe can choose to contract for something and they may want some of your employees, they may want all of them, they may want none of them.

Conversely, the tribe in the middle of year may say, "We want to give this thing back," and under the law, we have a definitive period of time to take it back. I do not know how personnel ceilings are going to be operable.

Senator STEVENS. What is your current circumstance with regard to personnel ceilings, and how do you handle them now?

Dr. JOHNSON. Right now, we have a couple of things. We have a position structure, which is one set of figures. Then we have a personnel ceiling that is added on to that. The position structure is basically the Congressional level, what the Congress puts in, so many positions. In addition to that, we have a personnel ceiling which is otherwise established at higher echelons which may, in fact, be different.

Senator STEVENS. Let me clear that up. You have a ceiling that we established.

Dr. JOHNSON. That is correct.

Senator STEVENS. Then you say that we have the lower personnel level.

Dr. JOHNSON. That is correct.

Senator STEVENS. Who establishes that?

Dr. JOHNSON. I do not know at what level it is established, but it is above us. Perhaps Mr. Young can respond to that.

Secretary YOUNG. Senator, the administration establishes a personnel ceiling based on the Department's Public Health Services and Indian Health Services' request for positions, and the ceiling was established in the President's budget.

In the case of the Indian Health Service, for services they propose to render, what the Department asks for and what they ask for are about the same. I think there is a difference of a couple of hundred positions.

Senator STEVENS. How many does the Congress allow?

Secretary YOUNG. In the 1976 budget they have not allowed anything yet.

Dr. JOHNSON. Our position structure at the moment, the congressional one is 8,162. Our ceiling at the moment is 8,017, a difference of 145.

Senator STEVENS. What is the difference between the two?

Dr. JOHNSON. 145.

Senator STEVENS. That Congress has authorized and you are not allowed to use?

Dr. JOHNSON. That is correct.

Senator STEVENS. Do you have the money to use them?

Dr. JOHNSON. Yes, sir.

Senator STEVENS. Let me see if I understand what you are saying. We have authorized 145 more positions than you have been allowed to fill, and yet we have also given you the money to fill them.

Dr. JOHNSON. That is correct.

Senator STEVENS. What it amounts to is impoundment by use of limiting the bodies rather than expenditures of dollars; doesn't it?

Dr. JOHNSON. That is sort of a legal, technical question ——

Senator STEVENS. You do not want to answer it?

Dr. JOHNSON. I do not know how to answer it.

Senator STEVENS. Why don't you ask your general counsel to advise this committee on what basis they have refused to extend funds for the personnel that have been authorized by the Congress to perform the functions under the Department? Would you do that?

Dr. JOHNSON. I would be glad to.

Senator STEVENS. It leads us to a very strange situation with regard to the money. What did you do with the money?

Dr. JOHNSON. Senator, we mentioned ——

Senator STEVENS. Have you been allowed to spend it?

Dr. JOHNSON. Yes. We were permitted to spend all the money appropriated by the Congres with the exception of the $1 million for the construction of the Acoma-Laguna Hospital that was discussed earlier.

What we do, Senator Stevens, is the same thing we proposed to do with the program increase for this next year. That is the attempt to get the jobs done through the constracting mechanism.

DEFERRAL OF ACOMA-LAGUNA

Senator STEVENS. I was not here at the time that you discussed the hospital. Have you had a direction not to expend that money yet?

Secretary YOUNG. Yes, Senator, they have had a directive from me and from the office of the President not to spend the $1 million for this particular hospital. It is under reserve. We originally placed it under reserve, in accordance with the Antideficiency Act. There is a technical and legal question as to whether that was the appropriate action in light of the congressional Anti-impoundment Act of last year.

We placed it in reserve ——

Senator STEVENS. Have you ever reported the request for deferral?

Secretary YOUNG. We reported it to OMB and it was my understanding that the President has not reported it to the Congress as a deferral under the act.

Senator STEVENS. On what basis, after the Anti-impoundment Act, can you, the Comptroller, advise the Indian Health Service that the money is not available for expenditure?

Secretary YOUNG. Because it is in reserve, by order of the Office of Management and Budget. It is in reserve and we have a deferral over there and we do not have the funds to give to the Indian Health Service.

Senator STEVENS. What is this reserve? Is that another word for impoundment?

Secretary YOUNG. Reserve was originally created under the Antideficiency Act. It has always been traditionally done in cases of construction projects where you did not have the total funds available that you needed to complete the construction.

CONSTRUCTION FUNDING POLICY

Senator STEVENS. In other words, the administration in this type of construction is going to tell us we have to put up all the money before we start the hospital?

Secretary YOUNG. That has been normally the practice.

Senator STEVENS. We gave you what we thought we could give you to get it started. They do not do that with Corps of Engineers' projects.

Secretary YOUNG. That is correct, sir.

Senator STEVENS. The do not do that with highway projects. I do not know of any other project where that has been imposed on us, except in the area of Indian health and Indian education.

I would suggest that someone let us know—let me make a specific request, because I understand your procedures. I specifically request you to let this committee know who made that decision, so that we may invite him up to justify it.

Secretary YOUNG. I made the original decision.

Senator STEVENS. You made the original decision?

Secretary YOUNG. That is correct, sir.

Senator STEVENS. On the basis of what authority?

Secretary YOUNG. The Antideficiency Act as I understood it.

Senator STEVENS. We subsequently passed the Anti-impoundment Act.

Secretary YOUNG. That is correct, sir.

Senator STEVENS. Did you have legal advice on that?

Secretary YOUNG. I had had legal advice that the Antideficiency Act is amended by the Anti-impoundment Act. Therefore, on that advice, I had submitted to the Office of Management and Budget a deferral, as required under the act.

Senator STEVENS. On what basis? Why did you seek to defer the money that Congress had appropriated for the construction of that hospital?

Secretary YOUNG. Under the Anti-impoundment Act.

Senator STEVENS. You must have some reason.

Secretary YOUNG. The same reason I gave you.

Senator STEVENS. Are you saying you are not going to start any hospital until we give you all the money to complete it?

Secretary YOUNG. It has been normally our practice, as I understand it, not to start construction of Indian hospitals until all the funds are available.

ACCELERATING CONSTRUCTION COSTS

Senator STEVENS. Let me tell you what you are doing to us. Costs are accelerating in my State about 12 percent a year. So if we had a hospital to build that cost $100 million, and you did not get it started by the end of the next year, you are forcing the cost up to $112 million; so you would never start it, would you?

Secretary YOUNG. That is correct, sir, but there is also the problem of starting something and opting the congressional authority to pass the additional appropriations. If you start a hospital that costs $6.5 million and you only have $1 million, you may get your footings down, and then Congress, working its will, may decide not to provide additional funds.

Senator STEVENS. You'd better get elected to Congress, if you want to make that decision.

Secretary YOUNG. Yes, sir.

CONGRESSIONAL INTENT ON CONSTRUCTION

Senator STEVENS. That is all I can tell you. We said, "Start that hospital," and I think it had better be started. I would like to have something from the Department to indicate what their intent is with regard to that money, because I think we had the right to tell you to start a hospital.

As a matter of fact, I can show you several Federal buildings that were started and stopped, started and stopped, because of the pressure of dollars. It did not have anything to do with the desire to get the thing on the way at least. We have several that we slowed down last year, and did not appropriate the full money to meet the original schedule. But I do not know of any hospital that has never been finished. It seems to me that that is what is happening.

STATUS OF PLANNING THE BETHEL HOSPITAL

Let me go back. Dr. Johnson, what happened to my Bethel Hospital? I understand something came out before I came here and that somehow or other we started the planning of that hospital and now we are half way through the planning and someone says, "You are not going to finish the planning".

Dr. JOHNSON. The first-stage planning will be completed, Senator Stevens, within the next 30 to 60 days, as I understand it. We do not have in this budget before you the money for the next stage of the planning, nor money for the construction of the facilities.

Senator STEVENS. This is another situation. I understand the Department did not want to start that at all. We thought it was necessary, and my colleagues agreed with me. And we initiated a schedule.

What is the need for planning money to keep it on the original schedule that we thought we had started?

Dr. JOHNSON. As I understand it, Mr. Chairman, you are talking about another $800,000.

Mr. CHADWICK. $800,000.

Secretary YOUNG. That is correct.

ALASKA CONSTRUCTION PROBLEMS

Senator STEVENS. What about construction funds? Is there any capability for construction funds this year?

Dr. JOHNSON. Well, again, the peculiarities of construction and permafrost in Alaska are such that the engineers tell us that the most prudent way to do this would be to put your pilings in and let them set for a year in the permafrost before you did the next phase.

Conceivably, for an interim fund of about $1½ million right now, you could complete the planning, get the piling, and get the pilings into the ground, and in the process save one construction season.

Senator STEVENS. What would the piling cost?

Mr. CHADWICK. Approximately $700,000. The $1½ million would be to finish the planning, and $700,000 for the pilings.

Senator STEVENS. What is the total cost estimate now?

Mr. CHADWICK. The total cost of the facility estimated at 1976 dollars would be $30,550,000.

Senator STEVENS. In terms of 1976 dollars, it is $30 million? Did you request OMB to give you anything for this hospital this time, Dr. Johnson?

Dr. JOHNSON. Yes.

Senator STEVENS. How much did you request this year?

Secretary YOUNG. The Department requested $800,000.

Senator STEVENS. For construction?

Secretary YOUNG. No, sir.

Senator STEVENS. What did the Agency ask for, Mr. Chadwick?

INCREMENTAL FUNDING OF BETHEL HOSPITAL

Mr. CHADWICK. We asked for the $30,550,000, which would have completed the planning and construction.

Senator STEVENS. I do not understand why we have to balloon this budget by asking for the full amount. How many years would it take to do that? What are the construction years?

Dr. JOHNSON. Normally, Senator Stevens, it would take about 24 months to construct a facility. It is our judgment that you would probably have to add another season to that to construct a facility in Alaska.

Senator STEVENS. The pilings would take at least a year?

Dr. JOHNSON. Yes.

Senator STEVENS. That gets us back to our problem. With the Budget Committee dealing with us the way OMB is dealing with you, if I want that hospital put in there, why do I have to get the full 3 years' amount in terms of the construction of that hospital, when that is not the capability for expenditure, Mr. Comptroller? Why should you put us in that position?

Secretary YOUNG. It is my understanding that that is the way we have been constructing these hospitals, on a full-funded basis.

Senator STEVENS. Do you know of any law that requires that?

Secretary YOUNG. Not to my knowledge, sir, but I have not read the appropriation language that specifically to say that this would be denied or not.

Senator STEVENS. I hope you recognize the position it puts us in, those of us who want to get things started. It means that we not only have to get our foot in the door, so it would be in the budget next year, but what it means is the committee would have to redirect more than $30 million from other projects in order to get this one under construction.

That is an impossible position. You will never be able to get any hospital started under those circumstances. The same applies to schools and other facilities. If they did that to us in the Corps of Engineers we would never get projects like the Chena flood control project going. That has taken 5 years and was started with a very small appropriation. But the next year the administration recognized its necessity and included the money.

Again, I ask you to review that. I do not think you have any legal authority to do what you are doing, and I hate to see us get back in a position where we have to file another series of lawsuits in order to prove our point on the construction item and on the personnel item.

The personnel item, I understand from your testimony, was from a higher authority. I take it you mean OMB?

Secretary YOUNG. That is correct, sir.

ADDITIONAL QUESTIONS

Senator STEVENS. Before we wind up the Indian Health Service portion of today's hearings, I wish to call your attention to questions that have been submitted by Senators Hatfield and Magnuson. We will submit these questions to you and ask that they be answered for the record.

And with that, gentlemen, we wish to thank you for your appearance here today.

[The questions and answers follow:]

QUESTIONS SUBMITTED BY SENATOR HATFIELD

INDIAN HEALTH SERVICE

Question. It is my understanding that Indian Health Service programs have been very helpful to the Urban Indian Program in Portland, Oregon, in meeting Indian health care needs in that area. Funding they have received, however, has been primarily designed to use for referrals. It seems apparent that if we are going to meet the needs of the Indian community, such programs must be strengthened. Are you planning any increase for such programs in FY 1976? If so, how much? If not, why?

Answer. No, we are not planning any increases in Urban Programs in FY 1976. Funds appropriated for this purpose are to evaluate the health status of Urban Indians, to explore the adequacy of existing urban medical programs compared to the health needs of the Indians residing in that city, and to prepare programs for providing these unmet needs. Because of fiscal constraints, additional funds are not included in the FY 1976 appropriation request for Urban projects.

Question. What is the status of the Chemawa Indian Health Clinic for which we appropriated $100,000 in FY 1974?

Answer. The Chemawa School Health Center which is to replace the present structure is being planned and constructed in concert with the new Chemawa Indian School being planned by the Bureau of Indian Affairs. The Bureau of Indian Affairs reports that construction funds for the new school is being requested in FY 1977.

Planning funds in the amount of $100,000 has been used to award an A/E contract for the design of the new health center. The design is currently under development and will be completed by June 1975. Indian Health Service will request construction funds in FY 1977 in conjunction with new BIA school construction.

QUESTIONS SUBMITTED BY SENATOR MAGNUSON

Question. Would you agree that the existing health center serving the Lummi Tribe in Washington State is "old, obsolete and overcrowded and does not meet the total health needs of the Indian community?"

Answer. Yes, the existing Lummi Clinic is housed in a wood frame building constructed over 50 years ago for use as a school house. The facility's age and overcrowded conditions are not conducive to providing a modern ambulatory care program.

Question. Would you agree that the present facility "cannot adequately house a modern ambulatory care program?"

Answer. Yes.

Question. Describe what you believe would be the proper replacement facility.

Answer. A proper replacement facility for the Lummi's would include space and staff for preventive, diagnostic, and curative health services. Specific services to be provided would include dental services, prenatal and well-baby clinics, general outpatient clinic services supported by appropriate laboratory and radiology services. It would also include regular field health services such as health education, nutrition, public health nursing, and social services.

Question. Are any funds requested in the fiscal year 1976 budget to build the proper replacement facility?

Answer. No funds were provided in the IHS construction program for the implementation of this project.

Question. How much in additional funds would be required in fiscal year 1976 to plan, construct, and equip a proper replacement facility?

Answer. $1,472,500 would be required in fiscal year 1976 to plan, construct and equip the new replacement facility.

Question. Describe the area and population that would be served by such a proper replacement facility. What increases would you project in that population and in patient visits over the next few years?

Answer. The Northwestern Washington Service Unit currently serves about 3,000 members of the Lummi, Nooksack, and Swinomish Indian tribal communities. The projected 1985 population will exceed 3,500 people and provide an estimated 20,000 outpatient visits which is about 8,000 more visits than are currently being provided in the existing facility.

Office of Education

Office for Indian Education

STATEMENT OF WILLIAM G. DEMMERT, JR., DEPUTY COMMISSIONER FOR INDIAN EDUCATION

ACCOMPANIED BY:

DUANE J. MATTHEIS, EXECUTIVE DEPUTY COMMISSIONER, OFFICE OF EDUCATION

LEE ANTELL, ACTING PROGRAM MANAGER, OFFICE FOR INDIAN EDUCATION

CLYDIA NAHWOOKSY, ACTING PROGRAM MANAGER, OFFICE FOR INDIAN EDUCATION

HERBERT JACOBSON, ACTING PLANNING OFFICER, OFFICE FOR INDIAN EDUCATION

CORA P. BEEBE, ACTING BUDGET OFFICER, OFFICE OF EDUCATION

DANIELA RATH LIPSON, BUDGET ANALYST, OFFICE OF EDUCATION

HON. JOHN D. YOUNG, ASSISTANT SECRETARY, COMPTROLLER, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

BUDGET ESTIMATE

Senator Stevens [presiding]. We will turn now to the budget request for programs under the Indian Education Act and the witnesses from the Office for Indian Education. Good morning, Bill. I think this is your first time to appear as Deputy Commissioner of Indian Education before the Appropriations Committee; isn't it?

Dr. Demmert. That is correct.

Senator Stevens. We appreciate your being here, and we will place Dr. Demmert's biographical sketch in the record.

The Office of Indian Education is requesting slightly more than $42 million this year. This is $55,000 over appropriations to date for fiscal year 1975. The justifications have been included in the record [pt. 2, pp. 1633–1657].

PREPARED STATEMENT

We would be happy to have your statement, and I am very happy to see you where you are.

Dr. Demmert. Thank you.

Senator Stevens. You may proceed in any manner you wish.

Dr. Demmert. Would you like a summary of the statement?

Senator Stevens. That would be fine, and we will print the full statement in the record at this point.

[The statement follows:]

51-957 O - 75 - pt. 3 - 63

Mr. Chairman and Members of the Committee:

I am happy to be here today to discuss with you our proposed fiscal year 1976 budget request for Indian Education for the Office of Education. I would like to give a general overview of our proposals and then answer any questions you may have.

The Indian Education Act provides support for the special educational needs of American Indians under three parts, which represent two distinct emphases in addressing the unmet educational needs of Indians. Part A authorizes the Commissioner of Education to award formula grants to local educational agencies (LEA's). These grants are made for the purpose of improving the educational opportunities, educational quality, and the level of academic success of Indian students. Discretionary grants are awarded under Part B of the Act to focus on the needs of Indian children and under Part C to focus on the educational needs of Indian adults. These discretionary programs are designed to enable schools serving Indian children and adults and the Indian community to explore a wide range of approaches for the purpose of developing appropriate, innovative, and culturally relevant programs for meeting the educational needs of Indian children and adults.

The 1976 budget requests $42,055,400 for the Indian Education Act, an increase of $55,400 over fiscal year 1975. Of this total we are requesting $25,000,000 for Part A; $12,000,000 for Part B; $3,000,000 for Part C, and $2,055,400 for Program Administration and the National Advisory Council.

The $25,000,000 requested for Part A of the Act will be used to provide formula grants to local educational agencies (LEA's) to benefit Indian children through the support of bicultural/bilingual basic educational services as well as enrichment activities, including the design of culturally relevant curriculum materials and such supportive services as guidance and counseling.

In fiscal year 1976, we anticipate that approximately 278,000 Indian students will benefit from Part A grants, an increase of 11,000 Indian students over fiscal year 1975.

A portion of the $25,000,000 requested for Part A is reserved by law for Indian schools located on or near reservations which are not LEA's or have not been LEA's for more than three years. As a result of the Education Amendments of 1974, P.L. 93-380, this non-LEA set-aside will increase from 5% to 10% for fiscal year 1976. These funds will be used to support an estimated 40 projects, primarily in curriculum development, bilingual education, and cultural awareness.

To ensure the quality of new services and the continued impact of services undertaken during this fiscal year, we propose to focus our efforts under Part A on the implementation of a monitoring system which will provide project management control from the initiation of project funding. Monitoring activities will include site visits and technical assistance conferences to provide grantees with a knowledge of and guidance relative to program characteristics and operations. The monitoring system will also include a project management reporting procedure that incorporates review and comment by the project's Parent Committee.

The $12,000,000 requested for Part B will be used to support two strategies. The first is intended to provide basic services for Indian children to address those needs that are not presently being met by other Federal, State, and local preschool through secondary education programs. Counseling, tutoring, remedial programs, and recreational activities comprise the major components of this approach. Additionally, emphasis will

be placed on projects to assist local communities in the training of Part A parent committees and on new preschool efforts. The second strategy is a capacity building approach which will include such activities as the training of teachers, administrators, and ancillary staff; support of educational programs in "alternative schools," particularly those directed to public school dropouts, and the development of cultural awareness curricula. This approach also includes support for Indian tribes and organizations to develop innovative and exemplary programs to meet the special educational needs of Indian children. Approximately 135 grants will be awarded under Part B to benefit an estimated 90,000 Indian children. Because of the scope of activities funded under this part, it is estimated that 60 grants of this total will be used to continue support of projects initiated during this fiscal year.

In fiscal year 1976, $3,000,000 is requested under Part C to continue the planning and implementation of adult education projects, primarily focusing on the two critical areas of basic literacy and high school equivalency training. We propose to fund model projects which combine basic education with social support skills such as literacy through consumer education, as well as projects for the effective coordination of services to benefit Indian adults. Among these will be projects that develop adult Indian educational services in concert with other health, manpower, and social programs, and therefore designed to meet the comprehensive needs of the individual citizen. An estimated 10,000 Indian adults will receive benefits from about 35 grants under Part C in fiscal year 1976. Of these, approximately 20 grants will be continuation awards as a result of the nature of the activities undertaken in fiscal year 1975.

We are also requesting $2,055,400 to support the Office of Indian Education in administering the Indian Education Act and the National Advisory Council on Indian Education in performing their legislatively mandated functions of providing policy direction and guidance.

Thus, while continuing our commitment to the provision of educational services and the development and implementation of demonstration models, our primary program emphasis for fiscal year 1976 will be to ensure increased efficiency and effectiveness in the delivery of more comprehensive information and educational programs for Indian children and adults, including funds from the Indian Education Act and other Office of Education programs. Specifically, our priorities include the development of administrative strategies to improve the coordination of Title IV programs with other Office of Education programs serving Indian people, provision of technical assistance to local school districts and parent committees, and the development of processes for the dissemination of successful educational techniques and resources developed under Parts A and B of the Act. Additionally, we will continue to clarify the Federal role in Indian education.

My colleagues and I will be happy to answer your questions.

INTRODUCTION OF ASSOCIATES

Senator STEVENS. For the benefit of our reporter, would you identify the people at the table?

Dr. DEMMERT. At my far left is Mr. John Young, Assistant Secretary, Comptroller, Department of Health, Education and Welfare. To my immediate left is Mr. Duane Mattheis, Executive Deputy Commissioner of the Office of Education. To my immediate right is Mr. Herbert Jacobson, Acting Planning Officer, Office for Indian Education. Seated to his immediate right is Ms. Cora Beebe. Acting Budget Officer, Office of Education. To her right is Mr. Lee Antell, Acting Program Manager for Formula Grants, Office for Indian Education. Mrs. Clydia Nahwooksy, Acting Program Manager, Discretionary Grants, Office for Indian Education is seated to his right.

Senator STEVENS. Thank you.

STATEMENT ON INDIAN EDUCATION

Dr. DEMMERT. I will be very brief in my outline, pointing out that since 1973, $97 million has been awarded to implement programs which will meet the special educational needs of Indians, as defined by local Indian communities and public school systems. We are now identifying priorities that need to be met if problems in Indian education are to be resolved. Among these priorities is the clarification of the Federal role in Indian education.

We are also improving mechanisms for providing technical assistance and monitoring projects under the Indian Education Act, and are making a major effort to improve the quality of projects by identifying the kinds of activities that prove successful.

Finally, the Joint USOE-BIA study on Federal educational service to Indians has been completed. The issues studied have proven to be very complex, requiring us to look at needed short-range goals, while developing long-range educational plans for serving the Indian community.

Basically, that is what I talk about in my opening statement.

REVIEW OF INDIAN EDUCATIONAL NEEDS

Senator STEVENS. Thank you very much, Dr. Demmert. You mentioned in this statement the continuing review of the Indian education programs. Do you mean that you intend to amplify on the recent report to the Appropriations Committee on the subject of Indian education? Is that completed, or do you intend to expand that report?

Dr. DEMMERT. That is one component of an effort we have undertaken to look into the educational needs of the Indian community throughout the United States. In addition to that effort, we are meeting with the chief state school officers who represent 80 to 90 percent of the Indian population.

We have met with superintendents of public schools as well as parent committee members in programs we have funded. We are also meeting with Indian superintendents of public schools and with the national Indian organizations and are pulling together information from other reports to do several things.

First, we wish to lay a base of information that might be helpful to the Indian Commission that has been established. Second, we intend to collect information in order to provide direction for the Office of Indian Education. By the next year or so we hope to pull all of this information together to analyze some of the long-range needs of the Indian community.

Senator STEVENS. I do not mean to have the comment misunderstood, because I am sure everyone knows I have tried to continue the NIE appropriation, but I hope you are not going in the direction of NIE, with regard to your OIE, by virtue of getting involved in too many studies, as opposed to too much applied research, or however you want to call it, in terms of your area. I think they went into the area of so many studies that they lost the support of the very community that they were working with. That is just a comment.

Do you have any idea how many additional studies would be needed before you would get into the applied area?

Dr. DEMMERT. We are not preparing any additional studies. We are pulling information together through conferences with groups knowledgeable in Indian affairs to solicit recommendations based on their current experiences. We have moved through half of that schedule already, and we will be finishing these efforts this spring. In addition we are looking at existing legislation, levels of funding, and the needs, as we understand them now, and are pulling these together to provide, during the interim, something in the nature of a comprehensive package for education to the Indian community.

CLARIFICATION OF FEDERAL ROLE

Senator STEVENS. Your report suggested enactment of an omnibus Indian education act to clarify existing programs. Have you prepared such an omnibus bill and submitted it to the Congress?

Dr. DEMMERT. We have just finished a study that outlines the Federal role historically in Indian education. We received the first draft a couple of weeks ago, and the final paper was submitted for internal purposes about a week ago.

I am not personally talking about a bill to cover all Indian education right now. What we are saying is, let's look at the options, let's look at the needs, let's look at what exists.

REDUCTION OF OIE BUDGET REQUEST

Senator STEVENS. I see. How much did OIE request from the Department for funding for this year?

Dr. DEMMERT. We requested $46 million.

Senator STEVENS. And you received slightly more than $42 million?

Dr. DEMMERT. That is correct.

Senator STEVENS. What did the Department ask OMB for?

Secretary YOUNG. The Department asked OMB for $46 million, the same as the agency request.

Senator STEVENS. What was left out? Was it special teacher training or the fellowship program?

Dr. DEMMERT. Our request of $500,000 for the fellowship program was left out.

Senator STEVENS. There is no money here for the special teacher training under the 1974 amendments? There is no money for Indian students' fellowships?

Dr. DEMMERT. That is correct.

Senator STEVENS. How much did you seek for that?

Dr. DEMMERT. $500,000.

Senator STEVENS. For each?

Dr. DEMMERT. No, total.

Senator STEVENS. For both teacher training and the fellowships?

Dr. DEMMERT. That was solely for fellowships.

Senator STEVENS. What is the other $3.5 million that was lost?

Dr. DEMMERT. Partially it was for increased staff.

Ms. BEEBE. Part of that increase, also, was to allow for the change in the law which increased the percentage set aside of LEA grants that went to non-LEA's from 5 to 10 percent. We made an estimate to increase the LEA grants so that there would be no reduction to the LEA's that were funded in previous years.

PART A REQUEST

Senator STEVENS. As I understand it, that is the explanation for the 10 percent part A assistance going to non-LEA projects under the 93-380.

Ms. BEEBE. That is correct.

Senator STEVENS. You sought additional funding for those?

Ms. BEEBE. That is correct.

Senator STEVENS. How do you determine a non-LEA? LEA is Local Education Agency? What is a non-LEA?

Dr. DEMMERT. The non-LEA——

Senator STEVENS. What is an example of one?

Dr. DEMMERT. An LEA is a public school. A non-LEA would be a school that is not public. For the most part we refer to the contract schools under the BIA or private schools.

Senator STEVENS. Church schools, that sort of thing?

Dr. DEMMERT. Except that we do not fund any church schools under our set-aside. We also fund new school districts when they have substantial numbers of Indian students and are located on or near the reservation, if they are just starting up.

PER CAPITA FUNDING

Senator STEVENS. What is your estimated amount of assistance per Indian student for fiscal 1976 as compared to prior years, 1975 and 1974? Under part A, you have a $25 million constant there.

Dr. DEMMERT. For 1974 it was $111. In 1975 it was $85.

Senator STEVENS. You are reducing. How much would it take to fund it at the same level? Have you exceeded your authorized ceiling? Are you at your authorized ceiling for the $25 million for part A?

Ms. BEEBE. No, we are not.

Senator STEVENS. What is the ceiling for part A?

Dr. DEMMERT. You mean what is authorized totally?

Senator STEVENS. Yes.

Dr. DEMMERT. For fiscal year 1975 it is $310,999,550. For fiscal year 1976 it is $387,090,000.

Senator STEVENS. And you are asking $25 million?

Dr. DEMMERT. That is correct, we are asking for about 7.3 percent of the full entitlement.

Senator STEVENS. Your part A for 1976 is $85 per student, or are you saying 1975? For fiscal 1976, how much will your $25 million break down? What would be the per student assistance?

Dr. DEMMERT. It would be about $82 for fiscal year 1976.

PART B REQUEST

Senator STEVENS. Thank you very much. With regard to part B, your request for special education is $12 million. That is the same as the current year. I am informed that the request last year was $20 million; is that right? The point is, have you reduced your emphasis on this special education program?

Dr. DEMMERT. We requested $32 million for B and $8 million for C.

Senator STEVENS. Why don't you do this for us, Doctor? Will you give us a breakdown of your 1974, 1975 and 1976 requests and appropriations so that we see them in part A and part B, and then what the authorization would be for these—for 1976, what is the ceiling?

Dr. DEMMERT. We will do that.

Senator STEVENS. We would like to have a State-by-State breakdown of part B allocation estimates, also, if you would, please.

[The information follows:]

Activity	1974 Actual	1974 Authorization	1975 Estimated	1975 Authorization	1976 Estimated	1976 Authorization
Payments to Local Educational Agencies and Non-LEA's for Indian Education (IEA), Part A).....	$25,000,000	$232,240,000	---	$310,999,550	$25,000,000	$387,090,000
Special Projects: (a) Special projects for Indian children (IEA, Part B).....	12,000,000	35,000,000	32,000,000	35,000,000	12,000,000	35,000,000
(b) Special projects for Indian adults (IEA, Part C).....	3,000,000	8,000,000	8,000,000	8,000,000	3,000,000	8,000,000
Special Training Programs for Teachers of Indian children (IEA, Part B).....	---	---	---	2,000,000	---	2,000,000
Fellowships for Indian students (IEA, Part B).	---	---	---	1/	---	1/
Program Administration (GEPA).....	1,759,000	Indefinite	2,034,300	Indefinite	2,055,400	Indefinite
Total	42,759,000 2/		42,034,300 3/		42,055,400	

1/ An amount not to exceed 200 fellowships.

2/ Reflects a 1974 comparative transfer, - $1,759,000 from "Salaries and Expenses, Office of Education."

3/ Includes $34,300 to be transferred from "Library Resources" for the October, 1974 Federal pay raise.

TEACHER TRAINING EFFORTS

Senator STEVENS. You have $1.2 million in part B funds for teacher training and other educational personnel. How many people would this reach? Is that also a constant, or do you have a decreasing assistance level going on in the teacher's training program?

Dr. DEMMERT. Let me defer to the program manager for parts B and C, who handles the projects. We are looking to 1976 and have an estimate of the number of projects we will fund in teacher training under the regular part B.

Mrs. NAHWOOKSY. Currently we are funding 8 projects for teacher training or with teacher training components. We have come through our application review process for the coming fiscal year and we anticipate that we may be funding approximately 13.

Senator STEVENS. Will the $1.2 million fund those?

Mrs. NAHWOOKSY. The amount requested on the proposals we receive for teacher training are in excess dollarwise of the $1.2 million.

Senator STEVENS. How much would it cost to fund the 13?

Mrs. NAHWOOKSY. I cannot provide you with that information now. I would be glad to provide it for the record.

Senator STEVENS. Would you give them to us for the record, please?

Mrs. NAHWOOKSY. Yes; we will.

[The information follows:]

The anticipated cost for funding 13 teacher training projects under Part B in fiscal year 1975 is $1,503,225.

Senator STEVENS. Have you reduced the amount of assistance for teachers in training on an individual basis?

Dr. DEMMERT. Under part B we have increased the amount for training teachers. But in total, because part E of our law is under EPDA, the total amount has decreased.

ALTERNATIVE SCHOOLS

Senator STEVENS. I understand there is $1.2 million in part B funds for alternative schools. What is an alternative school?

Dr. DEMMERT. Traditionally in the Indian community we have had a large dropout rate. Members of the Indian tribes, as tribes or as organizations, have submitted proposals to attempt to provide an opportunity for them to go to school. That is one type of alternative school.

Senator STEVENS. That would be a tribal school?

Dr. DEMMERT. It could be a tribal school. It could be in the city. It could be a community center. In addition to that, we looked at a few efforts, especially on reservations, where they wish to try an alternative to a bureau school or to a contract school or even to a public school.

EARLY CHILDHOOD EDUCATION

Senator STEVENS. You have $4 million in part B funds for early childhood education programs for Indian children. I am informed that BIA is also conducting a study and programs in that area. Do you have any way to assure that you are not in conflict with the BIA's activities with regard to the early education programs?

Dr. DEMMERT. Dominic Massapaqua from the Office of Child Development and myself have met on several occasions to talk about coordinating our roles. We have included the Bureau of Indian Affairs in those discussions, and he is drawing up a plan for us to make sure that we do not overlap and to make sure that we provide a very comprehensive package.

For example, we could fund programs from birth to 3 years. The Office of Child Development could fund programs from 3 to 5, and the Bureau of Indian Affairs can only fund reservation-based Indians. So if we coordinate our efforts, I am sure we can do a much better job.

PART C REQUEST

Senator STEVENS. We want to make sure we are not having a duplication, basically. You had $3 million for part C for adult Indian education staying at the same level. How do you tie this into other adult education efforts, and how does this $3 million—is it going to be spread over a larger base too?

Dr. DEMMERT. I will ask Mrs. Nahwooksy to respond to that, as that is one of her areas of responsibility.

Mrs. NAHWOOKSY. We will have some programs funded this coming fiscal year, although we will have the same amount of dollars as now.

Senator STEVENS. You are dealing with more people but the same number of dollars.

Mrs. NAHWOOKSY. Yes, we are.

Senator STEVENS. How do you do that? You just reduce the level of Federal support to each program?

Mrs. NAHWOOKSY. Yes, we have had to cut back drastically in some of the programs that are ongoing. We are funding new programs as well out of those dollars.

Dr. DEMMERT. In some cases startup costs make the overall cost of a program more expensive the first year than the second year. So we have been able to cut back in some of those areas. In addition we attempt to insure that some of the part C programs are coordinated with other kinds of grants or Federal funds.

ADULT LEARNING CENTERS

Senator STEVENS. What is the difference between $3 million for part C for adult Indian education and the $1.3 million in part C for establishing adult learning centers?

Mrs. NAHWOOKSY. I do not quite understand.

Senator STEVENS. It is my understanding there is a breakdown between adult Indian education programs and adult learning centers.

Ms. BEEBE. It is a component of that program. Part of the money is going for individual projects, and some of the money, the $1.3 million, is going to establish centers which will have a broader responsibility than an individual project. These, presumably, after Federal funds have established them, would be able to continue longer than the normal part C project.

Mrs. NAHWOOSKY. In those centers we do have a lot of the coordination effort that Dr. Demmert spoke about earlier.

Senator STEVENS. It is really an adult education program concept. You are just breaking them down between the centers and an award of money to individual projects under the programs; is that what you are telling me?

Mrs. NAHWOOKSY. That is right.

FUNDING CRITERIA

Senator STEVENS. I am told that these funds are concentrated in three or four States in regard to the project allocation. Can you tell us on what basis you reached the determination that those should be cencentrated there?

Mrs. NAHWOOKSY. We currently have 21 States housing the 38 part C projects. We do have several major adult centers.

Senator STEVENS. The joint of the question is, while there is a series of States, of the $3 million, there are about four States that get almost half of it. Is that based on population, need, or what?

Dr. DEMMERT. It is based on a couple of things. One is population, but the major factor is that the law provides the National Advisory Council authority to make recommendations as to the distribution of that money. In the past we have followed their recommendation fairly closely. This year we were able to negotiate some differences and reached almost 100 percent agreement.

Senator STEVENS. Do you intend to continue that advisory group for participation in this type of distribution of funds?

Dr. DEMMERT. Yes; I might also point out that the program is discretionary, and in addition to the National Advisory Council recommendations we bring in Indian field readers from throughout the country to make recommendations. We fund only those projects that are highly recommended by two of the three groups that make recommendations.

NATIONAL ADVISORY COUNCIL

Senator STEVENS. You have $230,000 of the program allocated to support the National Advisory Council on Indian Education. Would you give us a breakdown of that? How do you propose—you can do that for the record.

[The information follows:]

NATIONAL ADVISORY COUNCIL ON INDIAN EDUCATION

	Amount Available 1975	Estimate 1976	Increase (+) Decrease (-)
National Advisory Council	$228,000	$230,000	+2,000

Narrative

The 1976 estimate of 4 positions and $230,000 provides an increase of $2,000 over 1975.

The authority for funds to operate the National Advisory Council on Indian Education has been established under the General Education Provisions Act (Sections 400(c), 411, and D). Funds appropriated for this activity provide support for staff salaries, council members expenses, travel,and other administrative expenses.

Under Part D of the Indian Education Act, the National Advisory Council is mandated to advise the Commissioner of Education with respect to the administration of any educational program in which Indian children or adults are eligible to participate; provide technical assistance to local educational agencies; and evaluate any DHEW program from which Indians can benefit as well as assist the Commissioner in developing criteria and regulations for the administration of the Title IV educational grant program.

The request for $230,000 for the National Advisory Council on Indian Education is detailed in the following table. Of this total, $118,101 has been requested to support a full-time, permanent staff of four, comprised of an executive director, and assistant executive director, an administrative assistant, and a clerk-typist, as well as to provide for the authorized $100 per day honorarium to compensate council members for carrying out their responsibilities under the Act. To conduct their mandated functions, the council intends to meet for five, 3-day sessions throughout the year, while the five sub-committees of the council will hold an additional two, 2-day sessions. The primary purposes of council meetings will be to review Title IV project applications, establish administrative guidelines for Indian education programs, and formulate the annual report to Congress on council activities. Over $65,000 is being requested for travel expenses to permit council members to visit Indian education projects for the purposes of both providing technical assistance for the improvement of educational services for Indian children and adults and evaluating the quality of educational projects in which Indians participate. To assist in the performance of these responsibilities, the council will require $12,000 for consultant services, equivalent to another staff position, primarily for researching and writing services. In addition to its annual report to the Congress, the council intends to prepare a newsletter to disseminate its findings relative to educational programs benefiting Indians to the Indian community.

Itemization of Estimate

National Advisory Council on Indian Education

Obligations by Object	Amount Available 1975	Estimate 1976	Increase (+) Decrease (-)
11. Personnel compensation	$118,101	$118,101	---
12. Personnel benefits	13,689	13,689	---
21. Travel and transportation of persons	64,410	65,625	+1,215
22. Transportation of things	---	285	+ 285
23. Rent, communications, and utilities	4,800	4,800	---
24. Printing and reproduction	15,000	15,000	---
25. Other services	12,000	12,000	---
26. Supplies and materials	---	500	+ 500
Net obligations	$228,000	$230,000	+2,000

Senator STEVENS. How do you propose to spend the $230,000? You have already told us that the council has an influence on the allocation of these project funds. What other influence does it have on OIE?

Dr. DEMMERT. They provide a budget breakdown to us. They provide a budget request first, and then, as I understand it, a ceiling was set, and then they have to work within the budget that is actually provided.

RESPONSIBILITIES OF NACIE

Senator STEVENS. We are interested in to what extent they influence the direction of the agency and the administration of the act, beyond taking care of their own request for money.

Dr. DEMMERT. In addition to making recommendations for projects that will be funded, their executive officer sits with us on a weekly basis and participates in our discussions and makes recommendations as we discuss our policy for program activities or direction. That is an informal effort. Formally, they make recommendations in writing to the Commissioner, to the Secretary, and in a yearly report, to Congress.

OIE WORKLOAD

Senator STEVENS. Dr. Demmert, I have several questions for you regarding staffing and workload. What is your present workload and how many staff members do you have handling this workload?

Dr. DEMMERT. We presently have a total of 37 professional positions in the deputyship. Of these, 14 are assigned to part A, 12 to parts B and C, 9 to the deputy's office, and 2 to the National Advisory Council of Indian Education. Each professional in part A monitors and provides technical assistance to an average of 80 grantees. Under parts A, B, and C discretionary programs each professional is assigned to work with an average of 38 grantees. The total number of grants processed this year includes 1,174 for part A and 602 for the A, B, and C discretionary programs.

Senator STEVENS. What is your anticipated workload for the year and what additional staff will you need to handle this work?

Dr. DEMMERT. Under part A, there are approximately 3,000 eligible school districts or a potential 3,000 grantees. Of this number, we anticipate receiving approximately 1,700 applications. The number of applicants for the discretionary programs increased from 572 to 602 over the past year; therefore, we anticipate the workload to increase considerably. This means that with the limited staff there will be increased difficulty in providing the highest level of monitoring of these projects, insuring compliance with the law and with providing adequate technical assistance to these grantees.

Based on our analysis of the work to be accomplished, we have estimated that an additional 33 positions would be required to adequately staff the Office of Indian Education and provide the degree of project monitoring and technical assistance needed. This figure is based on the fact that the following provisions of the 1974 amendments have not been funded. If these provisions were funded, another 2 positions would be required, bringing the total to 35.

Senator STEVENS. I am very interested in finding out what has occurred as far as the funding of the 1974 amendments is concerned.

Dr. DEMMERT. There were four provisions in the 1974 amendments that would require additional funding. These were the rise in the part A non-LEA set-aside from 5 percent to 10 percent, the comparability requirements leading to the necessity to fund parochial schools under part B, the teacher-training provisions, and the graduate fellowship provisions. None of these amendments is being funded.

EDUCATIONAL TRAINING PROGRAMS

Senator STEVENS. If funding is cut or not provided for the 1974 amendments in fiscal year 1976 how will this affect the present educational training programs?

Mrs. NAHWOOKSY. The best way I can respond to your question is to tell you the need we see as a result of the proposals which were received for fiscal year 1975 funding. The total funding requested for teacher-training projects for fiscal year 1975 was $9,833,722 for 56 projects. As you can see, the request amounted to almost $10 million for teacher training. Our total budget for part B is $12 million.

We anticipate funding only 13 teacher-training projects for a total of $1,503,225 for fiscal year 1975.

ADEQUACY OF FUNDING

Senator STEVENS. What level of funding have you received, and is it appropriate to your needs?

Dr. DEMMERT. Sir, the joint BIA/USOE study that was recently completed has indicated that rural, isolated school districts, in which a majority of Indian students reside, have an extremely low tax base, and, consequently, do not have enough educational revenues to provide for a basic education. When you consider the necessity for a supplementary program to provide for the special educational needs of Indian children, which would probably cost in the vicinity of $300 per child, then it would appear that our present level of funding is not sufficient to fully meet these needs, as our present part A LEA funding level is $111 per child for fiscal year 1974, and will probably drop to $85 per child in fiscal year 1975.

Senator STEVENS. It is my understanding that a study was conducted by OMB regarding BIA schools and it was found that the level of pupil expenditures was $300 below the national level. Why is this?

Dr. DEMMERT. The study you refer to was jointly performed by USOE and BIA and investigated the flow and use of Federal funds in both BIA schools and public school districts. With respect to public schools, which are the USOE area of responsibility, we can make the following comments:

It appears as if the per pupil costs in these districts exceeded the revenue per pupil from local, State, and Federal sources by about $100 per child. I should explain that these figures represent the amounts of money required for a basic education only, and do not include the costs of meeting the special educational needs of Indian children, either in the sense of a compensatory education program or a cultural enrichment program. The costs of meeting the special educational needs of Indian children are estimated at $300 per child, in

addition to the costs of providing a basic education, which is just over $1,000 per pupil.

Senator STEVENS. What is an adequate amount of money to meet your supplementary needs?

Dr. DEMMERT. The best estimate we have of the cost of providing a supplementary program to meet the special educational needs of Indian children is about $300 per child.

Senator STEVENS. Have any operational budget restraints been placed on your Office by OMB?

Dr. DEMMERT. No operational restrictions have been placed on the Office of Indian Education by OMB. However, as mentioned earlier, our original budget request for fiscal year 1976 to OMB through the Department was for $46 million.

STATUS OF SOUTH DAKOTA PROJECTS

Senator STEVENS. What is the financial status of the Sinte Gleska Community College on the Rosebud Sioux Reservation in South Dakota and of the Lakota Higher Education Center on the Pine Ridge Indian Reservation in South Dakota?

Mrs. NAHWOOKSY. This Office has no statistics concerning the financial status of the entire Sinte Gleska College. The project this Office funds at the college is for curriculum development. The grant is for $90,000.

The Lakota Higher Education Center is not funded by OIE. Therefore, we have no knowledge of its financial status.

Senator STEVENS. Has there been a request by the colleges for additional money?

Dr. DEMMERT. Proposals totaling $9,883,722 have come into our Office for fiscal year 1975 funding.

Senator STEVENS. Do you need additional moneys to fund these colleges?

Dr. DEMMERT. We anticipate funding approximately $1,503,225 of those requests.

Senator STEVENS. Well, how much additional money would be needed?

Dr. DEMMERT. The difference between those requests is $8,380,497. This is an indication of the need for fiscal year 1975.

IEA AWARDS TO ALASKA

Senator STEVENS. How much IEA money has been allocated to Alaska, and what are the priorities for the use of this money?

Dr. DEMMERT. Under part A, title IV, Public Law 92-318, for fiscal year 1975, Alaska is entitled to $2,083,140.42. The Alaskan Native student count is 16,928.

Priorities addressed in the applications are: Curriculum development, raising academic achievement up to grade levels, enhancing the self concept of Native children, providing instructional materials on Alaskan Native culture and heritage, and providing instruction on the Alaskan Natives' land claims and the ramifications the land claims have for the Native children.

Additionally, the Office of Indian Education funds two part B projects in Alaska and two part C products. In part B, one of the grants is to the Alaska Native Education Board. The grant is for $215,000. The project priorities are to promote and develop bilingual-bicultural learning materials and instructional services, at the village level, for Alaska Natives. The development of orthographics for several of the village dialects has been accomplished so far in this program.

A second part B project in Alaska is funded to the Cook Inlet Native Association in the amount of $38,000. Priorities of that project are the provision of a cultural-recreational center for Alaska youth located in the Greater Cook Inlet area.

Part C grants in Alaska are to the Tanana Chiefs Conference for $150,000 and to the Cook Inlet Native Association for approximately $41,000. The Tanana chiefs project is adult basic education and general equivalency development. It is based in the social support skills necessary for everyday living. The project prepares audiovisuals, including tapes of live classroom lectures for use in the several villages where the project sites are located.

The Cook Inlet program is based in driver training as an incentive to learn. Classes are held in Anchorage.

INDIAN EMPLOYEES OF OIE

Senator STEVENS. How many Indians do you employ at the present time? Why are there not more, especially in light of the *Morton* v. *Mancari* decision which says when Indian programs are involved you must have Indian preference?

Dr. DEMMERT. We have 12 Indians of a total of 37 full-time permanent employees on board at the moment. As a result of a reorganization, a decrease in the Office of Education position ceiling and the phasing out of some EPDA programs, the Office of Indian Education has shared in the overall burden by picking up employees from other units. All of these individuals are non-Indian, thus our ratio was affected. We have asked our General Counsel for an opinion on whether or not the Indian Preference Act applied to title IV. We expect a reply shortly.

REVIEW OF PART A ASSISTANCE

Senator STEVENS. I noted your statement that the Office of Indian Education will conduct reviews and monitoring procedures to make sure part A assistance is being used properly and effectively. What will this review process cost, and how will it be funded?

Dr. DEMMERT. Let me answer the last part of that question first. The funding source for this effort will be the program administration budget. At this point, the project review and monitoring procedures have three aspects. The first is the development and installation of a quarterly management reporting system, which will collect information both from school district management and parent committees. Information regarding costs, achievement of objectives, target groups served, and the involvement of parent committees in the planning, execution and evaluation of projects will be collected and analyzed.

Finally, these forms include provisions for school districts or parent committees regarding technical assistance.

The second part of the monitoring procedure is to develop a strategy for site visits, so that we can use our limited resources more effectively. We would anticipate allocating staff and travel budget to visit projects specified on the basis of problems identified either in the project application or the quarterly progress reports, on the basis of requests for technical assistance and of the size of the grantee, and on the basis of a random sampling of school districts.

Finally, we have held, and are planning to hold again, a series of technical assistance seminars all over the country for grantees. At these conferences, project staff and external experts discuss issues of most importance to the grantees.

This entire three-phase effort will cost about $150,000 to develop and operate.

Senator STEVENS. Although you show a decrease for planning and evaluation, your highlight statement discusses plans to develop legislative and administrative policy recommendations to make various Indian education programs more effective. How much is being allocated to this study?

Dr. DEMMERT. It is difficult to answer this question, simply because the results of a number of our existing studies will be partially or wholly used to develop a rational strategy for proposals for administrative and legislative changes. In addition, internal OIE staff resources will be devoted to this issue. As a rough guess, I would estimate that an equivalent of somewhere between $100,000 or $200,000 will be spent on this area. This, of course, would include staff salaries for that portion of time for which the staff would be involved in this problem.

STATE BREAKDOWN OF PART A ASSISTANCE

Senator STEVENS. Your justification shows a regional breakdown of part A assistance. Please supply for the record a State-by-State breakdown for 1974.

Dr. DEMMERT. We will provide that information for the record.

[The information follows:]

Alabama	$32,165.87
Alaska	3,706,936.07
Arizona	2,287,929.67
California	1,219,258.95
Colorado	114,092.75
Florida	57,610.30
Georgia	1,752.82
Idaho	82,770.57
Illinois	161,326.32
Iowa	60,304.90
Kansas	99,439.54
Louisiana	308,997.34
Maine	51,582.42
Maryland	71,544.71
Massachusetts	4,501.67
Michigan	856,908.24
Minnesota	1,276,468.34
Montana	894,717.19
Nebraska	210,755.42
Nevada	294,617.77
New Mexico	1,920,983.99

New York	$662,314.22
North Carolina	1,145,461.09
North Dakota	371,286.75
Ohio	37,642.14
Oklahoma	4,312,186.12
Oregon	267,951.90
South Carolina	4,666.97
South Dakota	825,443.17
Texas	75,350.07
Utah	263,458.35
Virginia	8,227.21
Washington	1,418,027.11
West Virginia	3,140.34
Wisconsin	749,332.22
Wyoming	94,793.42

RATIONALE FOR PART B REQUEST

Senator STEVENS. Let's go back to part B, which provides special educational projects for Indian children. The request is for $12 million, the same as the current year. Last year you wanted to expand funding for this program by $20 million. Why have you dropped this emphasis this year?

Dr. DEMMERT. I believe that last year our budget included a request for $32 million for part B. This request was consistent with an administration position, at that time, to place all funding under parts B and C and not to fund part A. The administration has not followed that position this year; consequently, we have not asked for this level of funding for part B.

Senator STEVENS. Can you supply a State-by-State breakdown of part B allocation estimates for 1975 and 1976 to supplement your 1974 table?

Dr. DEMMERT. Part B of the Indian Education Act is a discretionary program, where each application is judged and funded on its own technical merit. Consequently, there is no way of projecting an allocation table to future years. Currently, project applications under part B of the act are being reviewed and considered for funding. When this process is completed, we will be glad to submit an allocation table for fiscal year 1975 for the record.

Senator STEVENS. Your $2 million program administration justification shows $126,500 in program decreases. Please explain these decreases.

Dr. DEMMERT. The $126,500 breaks down to a $6,400 decrease in temporary personnel, a $60,000 decrease in planning and evaluation activities, and a $60,100 decrease in contractual services.

The temporary personnel category is being decreased because we expect to be fully staffed in fiscal year 1976 with both professional and clerical personnel and therefore will have less of a need for temporary help.

Planning and evaluation and contractual services are being reduced because much of the initial planning has been completed and some systems have been developed and put in place. Thus, part of the need for these expenditures has been eliminated.

PART D REQUEST

Senator STEVENS. You have a $1,000 travel increase when you are actually trimming your program administration activities. Why do you need additional travel? Is it just that the cost of it has gone up?

Dr. DEMMERT. In part, it is due to inflation. In part we have more programs to monitor. Additionally, we are getting additional staff. We are finally reaching our ceiling.

INTERIM BUDGET REQUEST

Senator STEVENS. Staff wants to know why your transition period request is limited only to program administration for July through September. Why is there no request for the educational assistance programs in the transitional period?

Dr. DEMMERT. Since we normally award our grants during the last quarter of the fiscal year, no funds would be needed to carry out the program during the interim budget period.

Let me be specific. A school system is awarded a grant in June. They may start it in July, they may start it in August, they may not start it until September. But they have submitted a proposal for 12 months.

The amount of money will not change as a result of our change in the fiscal year.

Ms. BEEBE. Normally we would not award any program, contracts, or grants.

Senator STEVENS. In that transition period?

Ms. BEEBE. During that transition period. In fact, we are awarding 12-month funding.

Senator STEVENS. We appreciate seeing you here, Dr. Demmert, and are glad to have you here with your colleagues. We will be in recess until the call of the Chair.

[Whereupon, at 12:30 p.m. Thursday, April 10, subcommittee was recessed, to reconvene subject to the call of the Chair.]

CHRONOLOGICAL LIST OF HEARINGS

	Page
Thursday, March 6, 1975:	
Department of the Interior:	
Departmental overview	1
Wednesday, March 12, 1975:	
Franklin Delano Roosevelt Memorial Commission	175
National Galley of Art	183
Commission of Fine Arts	195
Indian Claims Commission	203
Pennsylvania Avenue Development Corp	209
Thursday, March 13, 1975:	
National Capital Planning Commission	219
Woodrow Wilson International Center for Scholars	229
Joint Federal-State Land Use Planning Commission for Alaska	247
Federal Metal and Nonmetallic Mine Safety Board of Review	257
Wednesday, March 19, 1975:	
Department of the Interior:	
Territorial Affairs; Trust Territory of Pacific Islands	263
Thursday, March 20, 1975:	
U.S. Fish and Wildlife Service	351
Administration of Territories, Guam, American Samoa	411
Tuesday, April 1, 1975:	
National Park Service	475
Wednesday, April 2, 1975:	
Department of Agriculture	
Forest Service	615
Thursday, April 3, 1975:	
Department of the Interior	
Bureau of Mines	731
Mining Enforcement and Safety Administration (MESA)	806
Wednesday, April 9, 1975:	
Bureau of Indian Affairs	855
Thursday, April 10, 1975:	
Department of Health, Education, and Welfare	
Indian Health Service	925
Office for Indian Education	989

LIST OF WITNESSES, COMMUNICATIONS, AND PREPARED STATEMENTS

A

Page

Abbott, George M., General Engineer, Bureau of Indian Affairs 855
Alaska Conservation Society: Letter submitted by 1043
Antell, Lee, Acting Program Manager, Office for Indian Education 989
Atherton, Charles H., Secretary, Commission of Fine Arts 195

B

Balos, Ataji, Representative from the Marshall Islands, Congress of Micronesia 265
Prepared statement of 278
Beebe, Cora P., Acting Budget Officer, Office of Education 989
Benham, Dr. William, Administrator, Indian Education Resources, Bureau of Indian Affairs 855
Berklund, Curt, Director, Bureau of Land Management 1009
Prepared statement of 1010
Bigelow, David H., Executive Director, Indian Claims Commission 203
Billington, Dr. James H., Director, Woodrow Wilson International Center for Scholars 229
Prepared statement of 229
Blight, Warren A., Deputy Director of Finance, Department of Agriculture 615
Blue, Brantley, Commissioner, Indian Claims Commission 203
Bohlen, Curtis, Deputy Assistant Secretary for Fish and Wildlife and Parks, Department of the Interior 1
Bozarth, Donald F., Director of Current Planning and Programing, National Capital Planning Commission 219
Brown, J. Carter, Director, National Gallery of Art, and Chairman, Commission of Fine Arts 183, 195
Prepared statements of 183, 195
Butler, Raymond V., Chief, Division of Social Services, Bureau of Indian Affairs 855
Byrd, Hon. Robert C., (D), U.S. Senator from West Virginia: Question submitted by 710

C

Casebolt, Jack V., Acting Director, Division of Resource Coordination, Indian Health Service 925
Carmody, John, Chief, Division of School Facilities, Bureau of Indian Affairs 855
Carlson, Hon. Jack W., Assistant Secretary, Energy and Minerals, Department of the Interior 1, 731
Letter from 159
Prepared statements of 151, 735
Campbell, W. A., Director, Program Development and Budget, U.S. Forest Service 615

Page

Cepeda, José, Acting Director, Guam Economic Development Authority---- 411
Chadwick, Henry V., Deputy Director, Indian Health Service---------- 925
Clarke, Hon. James T., Assistant Secretary, Management, Department of the Interior---------- 1
Conrad, Charles H., Executive Director, National Capital Planning Commission---------- 219
Prepared statement of---------- 219
Cook, John E., Associate Director, Park System Management, National Park Service---------- 475
Crawford, John W., Assistant Administrator, Coal Mine Health and Safety, Mining Enforcement and Safety Administration---------- 731
Crosby, Shirley, Program Budget Coordinator, Trust Responsibilities, Bureau of Indian Affairs---------- 855
Culp, Carson W., Chief, Branch of Budget, Bureau of Land Management---- 247
Curry, Dr. Richard C., Associate Director, Legislation, National Park Service---------- 475

D

Day, James M., Administrator, Mining Enforcement and Safety Administration---------- 731
Prepared statement of---------- 806
De Montigny, Dr. Lionel, Director, Division of Indian Community Development, Indian Health Service---------- 925
Defenbach, James A., Comptroller, Virgin Islands---------- 429
Prepared statement of---------- 430
Deinema, J. W., Deputy Chief, Administration, U.S. Forest Service------- 615
Demmert, William G., Jr., Deputy Commissioner for Indian Education, Office for Indian Education---------- 989
Prepared statement of---------- 990
Dickerman, M. B., Deputy Chief, Research, U.S. Forest Service---------- 615
Dudley, Robert, Chief, Division of Facilities Engineering, Bureau of Indian Affairs---------- 855
Dunn, William M., Assistant Director for Administration, Woodrow Wilson International Center for Scholars---------- 229

E

Edwards, Frank A., Assistant Director, Minerals and Management, Bureau of Land Management---------- 1009
Eschwege, Henry, Director, Resources and Economic Development Division, U.S. General Accounting Office:
Letter from---------- 587
Everhardt, Gary E., Director, National Park Service---------- 475
Prepared statement of---------- 551
Exendine, Dr. Joseph N., Director, Office of Program Support, Indian Health Service---------- 925

F

Fagg, Floyd W., Government Comptroller, Guam and Trust Territory of the Pacific Islands---------- 411
Prepared statement of---------- 413
Falkie, Dr. Thomas V., Director, Bureau of Mines---------- 731
Letter from---------- 797
Prepared statement of---------- 799
Fish, Manus J., Director, National Capital Parks---------- 475
Fleak, Robert W., Chief, Division of Transportation, Bureau of Indian Affairs---------- 855
Fong, Hon. Hiram L. (R), U.S. Senator from Hawaii:
Question submitted by---------- 727
Frankel, Harley, Deputy Commissioner of Indian Affairs, Bureau of Indian Affairs---------- 855

Page

Frome, Michael:
Letter from 407
Fuauai, Te'o, Speaker, American Samoa House of Representatives 435
Furlong, Dan, Budget Analyst, Bureau of Land Management 247

G

Geary, John D., Program Budget Coordinator, Indian Services, Bureau of Indian Affairs 855
Greenwalt, Lynn, Director, U.S. Fish and Wildlife Service 351, 373
Letter from 406
Prepared statement of 374

H

Hale, Jubal, Executive Secretary, Federal Metal and Nonmetallic Mine Safety Board of Review 257
Prepared statement of 257
Harris, F. David, assistant director, Finance, Pennsylvania Avenue Development Corp 209
Hastey, Edward L., Assistant Director, Administration, Bureau of Land Management 1009
Hatfield, Hon. Mark O. (R), U.S. Senator from Oregon:
Questions submitted by 922, 986, 1062
Prepared statement of 193
Hayes, Lloyd D., Treasurer, National Gallery of Art 183
Heimer, Mr. Deputy Comptroller, Virgin Islands 429
Henrie, Dr. Thomas A., Associate Director, Minerals and Materials and Research Development, Bureau of Mines 731
Hester, F. Eugene, Associate Director, Environment and Research, U.S. Fish and Wildlife Service 351
Hirsch, Dr. Allan, Chief, Office of Biological Services, U.S. Fish and Wildlife Service 351
Hite, Richard R., Deputy Assistant Secretary for Administration, Department of the Interior 145
Hollings, Hon. Ernest F. (D), U. S. Senator from South Carolina:
Letter from 158
Prepared statement of 147
Horton, Jack O., Assistant Secretary, Land and Water Resources, Department of the Interior 1
Hughes, Royston C., Assistant Secretary, Program Development and Budget, Department of the Interior 1
Hunton, Dr. Benjamin L., Assistant Administrator, Education and Training, Mining Enforcement and Safety Administration 731

J

Jacobson, Herbert, Planning Officer, Office for Indian Education 989
Johnson, Dr. Emery A., Director, Indian Health Service 925
Prepared statement of 927
Johnston, Edward E., High Commissioner, Trust Territory of the Pacific Islands 263
Prepared statement of 267
Jollie, John, Chief, Division of Job Placement and Training, Bureau of Indian Affairs 855

K

Keogh, Eugene J., chairman, Franklin Delano Roosevelt Memorial Commission 175
Prepared statement of 176
Krenzke, Theodore C., Director, Office of Indian Services, Bureau of Indian Affairs 855
Kuykendall, Jerome K., Chairman, Indian Claims Commission 203
Prepared statement of 203

51-957 O - 75 - pt. 3 - 64

L

Page

Larsen, Delbert A., Director, Office of Environmental Health, Indian Health Service ---- 925
Larsen, Howard, Deputy Associate Director, Fish and Wildlife Management, U.S. Fish and Wildlife Service ---- 351
Layton, Cleo F., Staff Assistant, Assistant Secretary for Fish and Wildlife and Parks ---- 475
Lipson, Damiela Rath, Budget Analyst, Office of Education ---- 989
Little, Harell, Director, Office of Financial Management, Health Services Administration ---- 925
Lockwood, Gilbert O., Acting Assistant Administrator, Plans Assessments and Management, Mining Enforcement and Safety Administration ---- 731
Long, Hon. Robert W., Assistant Secretary for Conservation, Research and Education, Department of Agriculture ---- 615

M

McDonald, Daniel D., Director, Office of Tribal Resources Development, Bureau of Indian Affairs ---- 855
McGee, Hon. Gale W. (D), U.S. Senator from Wyoming:
Questions submitted by ---- 401, 612, 710, 849, 921, 1060
McGuire, J. R., Chief, U.S. Forest Service ---- 615
Prepared statement of ---- 623
McLarew, Glen D., Chief, Division of Program Development and Implementation, Bureau of Indian Affairs ---- 855
McRorey, R. P., Associate Deputy Chief, National Forest System, U.S. Forest Service ---- 615
Magnuson, Hon. Warren G. (D), U.S. Senator from Washington:
Questions submitted by ---- 403, 724, 987
Marich, Edward G., Program Budget Coordinator, Indian Education Programs, Bureau of Indian Affairs ---- 855
Mattheis, Duane J., Executive Deputy Commissioner, Office of Education ---- 989
Meszoly, Peter T., general counsel, Pennsylvania Avenue Development Corp. ---- 209
Montoya, Hon. Joseph M., (D), U.S. Senator from New Mexico:
Question submitted by ---- 717
Moore, John Norton, Deputy Special Representative of the President for the Law of the Sea Conference, Department of State:
Letter from ---- 167
Morgan, Dr. John D., Jr., Associate Director, Minerals and Materials Supply/Demand Analysis, Bureau of Mines ---- 731
Morton, Hon. Rogers C. B., Secretary of the Interior ---- 1
Prepared statement of ---- 34
Myer, Donald B., Assistant Secretary, Commission of Fine Arts ---- 195

N

Nahwooksy, Clydia, Acting Program Manager, Office for Indian Education ---- 989
Nelson, Arthur P., Assistant Administrator, Metal and Nonmetal Mine Health and Safety, Mining Enforcement and Safety Administration ---- 731
Nelson, Harvey, Deputy Associate Director, Fish and Wildlife Management U.S. Fish and Wildlife Service ---- 351
Nelson, T. C., Deputy Chief, National Forest System, U.S. Forest Service ---- 615

O

Oberlander, George H. F., Director, Long Range Planning and Regional Affairs, National Capital Planning Commission ---- 219
Olter, Bailey, Senator from Ponape, Congress of Micronesia ---- 265
Prepared statement of ---- 276
Orden, Sol, Chief, Financial Management Branch, Indian Health Service ---- 925
Oyler, William D., Chief, Division of Budget, Bureau of Mines ---- 731

P

Page

Peetz, Edward S., National Capitol Planning and Design Team, National Park Service 175
Perez, Gerald S. A., Director of Budget and Management, Office of the Governor of Guam 411
Pierce, Margaret H., Commissioner, Indian Claims Commission 203

Q

Quesada, Elwood R., chairman, Pennsylvania Avenue Development Corp 209
Prepared statement of 209
Quick, W. C., Chief, Programing and Budget Division, National Park Service 475

R

Ratiner, Leigh S., Administrator, Ocean Mining Administration, Department of the Interior:
Letter from 168
Read, Duncan L., Director of Communications and Administration, Joint Federal-State Land Use Planning Commission for Alaska 247
Reed, Nathaniel P., Assistant Secretary for Fish and Wildlife and Parks, Department of the Interior 351, 475
Prepared statements of 352, 477
Reynolds, Allan L. Director of Audit and Investigation, Department of the Interior:
Letter from 590
Rice, Emmett M., Acting Director of Territorial Affairs, Department of the Interior 263
Letter from 338
Prepared statement of 264
Rogers, Jerry G., Chief, Division of Grants, National Park Service 475
Ruth, Hon. Earl B., Governor of American Samoa 435
Prepared statement of 435

S

Salanoa, Aumoeologo, President, American Samoa Senate 435
Schlick, Donald P., Assistant Administrator, Technical Support, Mining Enforcement and Safety Administration 731
Schreiner, Keith, Associate Director, Federal Assistance, U.S. Fish and Wildlife Service 351, 373
Selvey, Bob, Chief, Division of Financial Assistance, Bureau of Indian Affairs 855
Seneca, Martin E., Jr., Director, Office of Trust Responsibilities, Bureau of Indian Affairs 856
Setik, Raymond, Representative from Truk, Congress of Micronesia 337
Shear, Daniel H., General Counsel and Secretary, National Capital Planning Commission 219
Silcock, Burton W., Federal Cochairman, Joint Federal-State Land Use Planning Commission for Alaska 247
Prepared statement of 247
Sockey, Dr. Clennon E., Director, Office of Indian Education Programs, Bureau of Indian Affairs 856
Spear, Michael J., Assistant Director, Planning and Budget, U.S. Fish and Wildlife Service 351
Stafford, Hon. Robert T. (R), U.S. Senator from Vermont:
Question submitted by 718, 847
Stevens, Hon. Ted (R), U.S. Senator from Alaska:
Questions submitted by 718, 847
Sturgill, Lowell V., Chief, Programs Control Division, National Park Service 475

Page

Suman, Frank L., Budget Analyst, Department of the Interior 195, 257
Swem, Theodore R., Alaska Planning Group 475
Sykes, John P., Assistant Director, Financial Management, Bureau of Indian Affairs 856

T

Thompson, Morris, Commissioner, Bureau of Indian Affairs 1, 855
Prepared statement of 857
Thomson, Elwood, Chief, Division of Budget and Finance, Mining Enforcement and Safety Administration 731
Thornton, P. L., Deputy Chief, State and Private Forestry, U.S. Forest Service 615
Trevor, Malcolm L., Assistant Executive Director for Administration, National Capital Planning Commission 219
Turcott, George L., Associate Director, Bureau of Land Management 1009

V

Van Hoek, Dr. Robert, Acting Administrator, Indian Health Service 925
Vance, John T., Commissioner, Indian Claims Commission 203
Vetterick, Paul M., Chief, Division of Budget and Program Development, Bureau of Land Management 1009

W

Webb, Harry E., Jr., Chief Counsel, Indian Claims Commission 203
Wheeler, Douglas P., Deputy Assistant Secretary for Fish and Wildlife and Parks 532
White, Mel, Budget Officer, American Samoa 435
Wiles, Francis M., Director of Budget, Office of the Secretary, Department of the Interior 1, 263, 351, 373, 466, 475, 731, 856, 1009
Won Pat, Hon. Antonio, Territorial Delegate from Guam:
Prepared statement of 420
Woodbridge, John M., executive director, Pennsylvania Avenue Development Corporation 209

Y

Yarborough, Richard W., Commissioner, Indian Claims Commission 203
Young, Hon. John D., Assistant Secretary, Comptroller, Department of Health, Education, and Welfare 925, 989
Young, Hon. Milton R. (R), U.S. Senator from North Dakota:
Question submitted by 612
Youngs, R. L., Associate Deputy Chief, Research, U.S. Forest Service 15

Z

Zuni, José A., Director, Office of Administration, Bureau of Indian Affairs 856

SUBJECT INDEX

A

ANSCA. (*See* Alaska Native Claims Settlement Act.)
Alaska: Page
Hydroelectric power ---- 125
Trans-Alaska pipeline ---- 63–64
Alaska Federation of Natives, Inc ---- 980
Alaska Native Claims Settlement Act (ANSCA) ---- 43, 126, 390
Alaska pipeline. (*See* Trans-Alaska pipeline.)
Alaska Power Administration ---- 126
Alyeska ---- 64
American Samoa ---- 44, 266
Budget:
Amendment, possible ---- 466
Insufficiency ---- 466
Justification, revised ---- 435
Request ---- 435
Restraint ---- 435
Canneries ---- 472
Capital improvements ---- 463
Damage from drought ---- 464
Disaster aid, availability of ---- 466
Economy ---- 471
Federal disaster assistance ---- 465
Funding priorities, additional ---- 471
Matching funds ---- 467
Other Federal grants ---- 469
Program cuts ---- 467
Public works shortages ---- 468
Alternatives ---- 468
Revenue, shortage of local ---- 463
Samoan legislature, position of ---- 472
Specific needs ---- 467
Total funding ---- 472
Travel ---- 471
Animal damage ---- 402
Arctic pipeline ---- 64

B

BIA. (*See* Indian Affairs, Bureau of.)
BLM. (*See* Land Management, Bureau of.)
BM. (*See* Bureau of Mines.)
Bible, Alan, Tribute to Senator ---- 40
Bikini. (*See* Trust Territory of the Pacific Islands. Bikini.)
Boldt, Hon. George H., District Judge, 9th Circuit, Tacoma, Wash. (*See* Boldt Decision.)
Boldt Decision ---- 403, 908
Bureau of. (*See* other part of title.)
Byrd, Robert C., welcoming of Senator ---- 40

C

CRIHB. (*See* California Rural Indian Health Board.)
Cabeza-Prieta game range ---- 67
California Rural Indian Health Board (CRIHB) ---- 952
Charles M. Russell, game range ---- 66
Citrate pilot plant ---- 43, 124
Clean Air Act ---- 54, 747

Coal:
Air quality standards:
Primary and secondary ... 748–749, 751
Clean Air Act ... 747
Coal expansion versus importation of oil ... 794
Coal extraction, most promising ... 831
Coal hauling, economic ... 766
Coal industry ... 825
Employment in ... 741
5-year program ... 793
Losses ... 760
Profits ... 758–759
Coal mine statistics ... 756
Coal mining:
Systems, comparison of ... 790
Technology ... 783
Increased tonnage ... 793
Research emphasis ... 832
Coal research ... 825
Emphasis ... 832
GAO (General Accounting Office), report on ... 794
Coal strike, impact of ... 740
Constraints, demand and supply ... 747
Continuous miner ... 788
Deep mines:
Cost of opening ... 742–744
Optimum production ... 745
Sulfur content of coal ... 750
Employment appropriations bill ... 771
Equipment shortage ... 746
Exploration and development of ... 133
Explosions, number of ... 755
Exports and imports ... 760
Reasons for importing coal ... 760
Federal Coal Mine Health and Safety Act ... 806
Impact of ... 753
Safety gains ... 754
Health and safety R. & D. (research and development) ... 795
Imports and exports, 1970–74 ... 761
Reasons for importing coal ... 760
Leasing, environmental and political opposition ... 58
Longwall research, automated ... 830
Low-sulfur coal ... 750
Mine subsidence ... 795
Rock Springs subsidence ... 849
Mined land demonstration ... 798
Opening costs (of mines):
Additional tonnage, Cost of ... 745
Capital cost of ... 744
Comparative ... 743
Deep mines ... 742
Lead time to open ... 745
Optimum production ... 745
Surface mines ... 744
Production ... 47, 740
Goal by 1985 ... 47, 744
Hinderances to increased ... 48
Loss from work stoppage ... 754
Western states ... 59
Wyoming ... 850
Profits, coal company ... 758
Research budget estimate ... 51
Reserves:
Montana ... 55
Wyoming ... 55

Page

Coal—Continued
- Rock Springs subsidence 849
- Statistics 756
- Sulfur content 60
  - Deep-mined and surface coal 750
- Surface and deep-mined coal, sulfur content 750
- Surface and underground mining, mix between 741
- Surface mines:
  - Opening costs 744
  - Sulfur content 753
- Tonnage:
  - Increased tonnage from improved technology 793
  - Per man 753
- Transportation 48, 765
- Underground conditions, improving 49
- Underground mining, mix between surface and 741
- Wildcat strikes, impact of 754

Coal and oil shale leasing, Western States 59
Coal and oil shale programs, goals of 57
Coal and oil shale revenues 58
Coal, oil and gas production 47
Coal Research, Office of (OCR):
- Transfer to ERDA 44

Commission of Fine Arts 195
- Budget request 195–198
- Printing costs 199
- Salaries 200
- Summary statement 199
- Travel 200

Comparative tables (new budget authority) 3–33
Consolidated Federal Law Enforcement Training Center 577
Constitution Gardens 596
Contract liquidation 2
Crater Lake Lodge, historical significance of 578
Crater Lake National Park, deteriorating facilities at 577
Cyanide devices 402

D

Defense Production Act 137

E

ERDA. (*See* Energy Research and Development Administration.)
Endangered species 359, 393–395
- Hawaii 728

Energy:
- Budget request 42
- Energy and minerals 42
- Goal-oriented program 137
- Goals 136
- National Research Council's report 61
- Oil and gas development 137
- Programs 44, 50
- Requested amounts 50, 52
- Research, maximum funding 49
- Research and development:
  - Allowance 52–53
  - Budget request 52–53
  - Expenditures 45
- Reserves, estimating 60

Energy Research and Development Administration (ERDA):
- Coordination with Bureau of Mines 56
- Transfer of Office of Coal Research from Bureau of Mines 44

Enewetak (*See* Trust Territory of the Pacific Islands. Enewetak.)

Page
Environmental and political opposition 58
Environmental impact:
Bureaus 46
Category 46
Fish and Wildlife 46, 620, 626, 711
Forest Service 620, 711
Trans-Alaska pipeline 45, 54
Environmental problems 45–46
Exploratory drilling:
Cost of 142
Government's 138

F

FEA. (*See* Federal Energy Administration.)
"Facts About Federal Wildlife Law" 395
Federal Coal Mine Health and Safety Act 753–754, 806
Federal Energy Administration:
Transfer of Office of Oil and Gas from Bureau of Mines 44
Federal Metal and Nonmetallic Mine Safety Board of Review 257
Appeals:
None made 258, 843
Procedure 260
Budget request 257
Expenses 258
Personnel increases 260
Staff utilization 258
Alternative services 259, 261
Fish and Wildlife Service 351
Alaska Native Claims Settlement Act 390
Anadromous fish 398
Animal damage control responsibility, transfer to States 402
Aquaria, closure of 397
Big Cypress National Preserve 361
Biological services program 359, 369
Bowden Fish Hatchery 406
Budget request 41–42, 351
Formulation of fiscal year 1976 budget 357
Scope 358
Capital improvements, reduction in 363
Champlain, Lake 381
Construction 66, 397
Contract administration, additional positions for 399
Endangered species 359
Accomplishments 394
Enforcement 394
Program 393
Publications 395
Energy research and development 365
Major thrusts 381
Energy research funds in Wyoming, allocation of 401–402
Fish Hatchery transfers 367
Policy 392
Game range transfers, budget impact of 368
Game ranges, management of 366
State responsibilities 366
General Services Administration (GSA) space charges 400
Great Lakes research, increase for 392
Great Lakes reserach vessel, acquisition of 398
Green Lake Hatchery 398
Grizzly bear management in Yellowstone ecological system 401
Habitat preservation increases 384
Hatchery and game range transfers, budget impact of 368
Hatchery program 367
Inland fisheries 393
Interpretation and recreation 396

Fish and Wildlife Service—Continued	Page
Job opportunities program	86–97
Land acquisitions, reduction in	363
Leetown Laboratory	409
M–44 cyanide devices, policy for use	402
Major accomplishments	385
Makah National Fish Hatchery	405
Management, State vs. Federal	365
Migratory bird conservation fund	390
Migratory bird refuges:	
Land acquisitions program	390
New refuges, funding	389
Nonhunter sharing of cost burden	387
Refuge system, operating deficit	389
Rehabilitation	386
Sixty million dollars backlog of needs	387
National Elk Refuge inholdings	401
National wildlife refuge system	358
Outer Continental Shelf:	
Alaska OCS studies	362
Baseline studies	360
State OCS coordination	363
Poison ban, Policy regarding in Wyoming suit	403
Predator control	371, 391
Coyote control, research on	392
Grant policy	391
Public hunting	371
Programs, impact of F & W	360
Scrimshaw bill (S229)	396
State vs. Federal management	365
Trans-Alaska pipeline:	
Budget policy on costs	386
Monitoring contract	386
Travel increase, requested	400
United States vs. Washington re:	
Indian off reservation fishing rights	403
Water bank program	369
West Virginia hatcheries, development	408
Wetlands acquisitions, fund source	370
Wildlife ranges, shift in	66
Work opportunity program	364
Forest and Rangeland Renewable Resources Planning Act of 1974	618, 621
Forest Service	615
Agency-department-OMB requests	630
Airplanes	709
Alaska:	
Forestry assistance	723
Funding	718
Research	720
Sawmill improvement program	723
Alaska, public lands in	626
Appeals and court challenges	625
Boundaries, change in	709
Budget:	
Amendment	638
Constraints, impact of	621
Other budgetary considerations	627
Requests	615
Summary table	616
Campgrounds in Oregon	682
Cheyenne River Bridge	711
Construction:	
Backlog	684
Deferrals	684
Projects to be financed	708
Transition period	704
Consultants, private forestry	706

Forest Service—Continued
DDT:
Page
Spraying 642
Substitute 726
Deferred programs, additional funding for 638
Disease research and control 623, 643, 659
Eastern reclamation center 662
Status 665
Eisenhower Consortium 715
Employees compensation fund 660
Employment 645
Projects proposed for generating 716
Endangered species research in Hawaii 728
Environmental costs, effect of on programs 620
Environmental demands, other 642
Environmental impact statements 620, 711
"Environmental Program for the Future" 618
Fire:
Cooperation in control of 705
Man-caused 657
Management 627
Protection 657
Rehabilitation, emergency 643
Forest inventories 679
Forest land management 644
Forest management, intensive 674
Forest research 627, 661
Forest roads and trails 676
Funding, future 707
Funding needed 650
George Washington National Forest, W. Va 704
Gifford Pinchot National Forest 724
Hardwood timber research 663
Idaho and Montana, region 1 672
Problems, need to resolve 675
Time schedule, projected 673
Insect and disease research and control 623, 643, 659
Institute of Pacific Islands Forestry 729
Knutson-Vandenberg reforestation 645
Land ownership adjustments and surveys 627
Land use planning and environmental statements 626
Lands and structures 661
Landscaping and design program 655
Lumber prices and demands, decline in 637
Medicine Bow Ranger Station 715
Minerals management 627, 656
Monongahela National Forest, W. Va 685
Arrowhead Lake Recreation Complex 686
Big Bend Campground 688
Blue Bend Recreation Area 687
Buffalo, Lake 690
Horseshoe Recreation Area 689
Seneca Rocks Recreation Complex 692
Sherwood, Lake Recreation Area 691
Spruce Knob-Seneca Rocks National Recreation Area, W. Va 686
Stuart Recreation Area 699
Summit Lake Recreation Area 700
Work programs 685
Montana and Idaho, region 1 672
Problems, need to resolve 675
Time schedule, projected 673
Multiploy 645
Northern Great Plains Resources Program (NGPRP) 715
Nursery capacity 646
Nursery operation and development 651
Nursery stock and time schedule 649

Forest Service—Continued	Page
Off-road vehicle enforcement costs	655
Ohia decline, Hawaii	727
Oregon Dunes National Recreation Area	682
Personnel ceilings	641
Planting stock, availability of	648
Pollution abatement	625
Primitive area studies	624
Princeton Forest Products Marketing Laboratory, W. Va	702
Pulmonary emphysema in cattle	679
Range management	625, 643, 656
Recreation	625, 654
Recreation facilities, construction and operation	708
Reforestation	645, 651, 712
Acres needing	726
Funds, distribution	653
Ten-year goal	646
Region 1—Montana and Idaho	672
Problems, need to resolve	675
Time schedule, projected	673
Renewable Resources Planning Act	618, 623
Research:	
Construction	679
Project, discontinuance of	665
Resource employment	618
Responsibilities, growth of Forest Service	619
Road construction	624
Financing	637
Sales administration	654
Sawmill improvement program	680
SEAM program	712
Seasonal projects	651
Seneca Rocks	705
Sierra Club suit	642
Special uses	658
Free use permits	659
Spruce budworm	678, 725
STRETCH:	
Program	717
Project	677
Strip mining:	
Administration of laws	56
Reclamation	712
Research	662
Surface environment and mining program (SEAM)	712
Surface mining regulations	624
Timber	626
Allowed cut	669–671
Management	624
Nongreen	669
Receipts	637
Revenue	648
Sales:	
Board-feet, 1975	668
Deficit	667
Policy	666
Program	668
Stand improvement	645
"Timber Outlook Report"	618
Timberline Lodge	681
Time schedule and nursery stock	649
Transportation costs	707
Travel and transportation costs	660, 707
Trout Pond Recreation Area, W. Va	703
Tussock moth control program	677

Forest Service—Continued	Page
Unemployment	626
Uniforms	710
Urban and community forestry	681
Watershed management research	662
Weed control, noxious	680
Wildlife	625
Habitat research	678
Management	655
Wildlife habitat research at Laramie, Wyo	715
Wind River, west slope	710
Youth Conservation Corps	626, 706
Fort Union National Historical Site	613
Fossil fuels	49
Franklin Delano Roosevelt Memorial Commission	175
Budget:	
Analysis of budget authority and outlays	178
Distribution of outlays	179
Object classification	177
Program and financing	177
Supplementary source document	178
Transition period, July 1 through September 30, 1976	175
Funding:	
Additional funds sought	180
Expenses	180–181
Park Service funding	181
Past funding	180
Private financing	181
Memorial timetable	181–182
Memorial to late President	175

G

GEDF. (*See* Guam Economic Development Fund.)	
GSA. (*See* General Services Administration.)	
Gas, Natural. (*See* Natural gas.)	
Gas, oil and coal production	47
Gas production, domestic	62
General Services Administration:	
Space rental:	
Fish and Wildlife	400
Mines Bureau	839
National Capital Planning Commission	224
Vehicles, leased:	
National Capital Planning Commission	224, 226
Geological Survey:	
Budget request	42
Job opportunities program	117–118
Geological technology	142
George Washington Parkway, bike trails on	597
Grand Canyon National Park	599
Grizzly bears	401
Guam	44
Budget request	265, 411
Comptroller for Guam and Trust Territory	412
Responsibilities	415
Economic development fund (GEDF)	415
Allocations, change in	422
Guidelines	422
Loan emphasis	427
Priorities	423
Repayments	427
Status of fund	422
Public works program	415
Guam Economic Development Fund (GEDF)	44, 415

H

	Page
HEW. (*See* Health, Education and Welfare, Department of.)	
Harpers Ferry National Historical Park	582
Deteriorated buildings	583
Street repairs	583
Health, Education and Welfare, Department of. Health Service Administration, Indian Health Service. (*See* Indian Health Service.)	
Health, Education and Welfare, Department of. Office of Education. Office for Indian Education. (*See* Indian Education, Office for.)	
Health Service Administration (HEW). Indian Health Service. (*See* Indian Health Service.)	
Hydroelectric power:	
Alaska	125
Development of	45
Hydropower site, New England	127

I

Indian Affairs, Bureau of (BIA)	855
Agriculture	908
Alaska housing program	880
Appropriation request	43
Bismarck Indian Training Center	877
Boldt Decision	403, 908
Budget:	
Budget changes 1975	910
Comparison of fiscal year 1975 object class detail with fiscal year 1976	911
Positions, Authorized fiscal year 1975	910
Request	856
Transition period	913
Tribal budget priorities	67
Burials	903
Business development fund	862
Career development	902
Construction	860
Capability	914
Program	913
Transition period	916
Contracting, Indian tribes'	873
Computation of $11.2 million estimate	876
Costs	875
Estimates	909
Overhead costs, control of	876
Damaged BIA offices, reequipping	885
Education:	
Akiak and Diomede Schools	882
Bilingual and bicultural education	868
Bilingual education programs in New Mexico	870
Bismarck Indian Training Center	877
Chemawa School	888
Contract schools	866
Accreditation of	874
Nepotism in	872
Diomede School	883
Early childhood education	889, 967, 997
Johnson-O'Malley:	
Allocations	891
Funds, distribution of	892
Problems	890
Program	890
Joint education study	895
Language instructors, qualifications	869
Navajo Community College	916
Per pupil cost	917
New facilities, operation of	890
Oklahoma educational needs	889

Indian Affairs, Bureau of (BIA)—Continued
Education—Continued
Omnibus legislation ... 895
Public Law 93–638 implementation schedule ... 867
Ramah Navajo School ... 867
Red Rock School ... 918
San Felipe School ... 888
Scholarships:
Funding ... 902
Grants, higher education ... 863
Standing Rock Reservation High School ... 878
Facilities management ... 865, 909
Forestry and agriculture ... 908
Grants ... 909
Housing ... 906
Alaska housing program ... 880
Housing improvement program allocations ... 881
"Indian Housing in the United States" ... 882
Program needs ... 881
Public Law 93–638, impact of ... 882
Indian Action Teams ... 906
Program ... 908
Indian Financing Act ... 859, 861
Indian involvement ... 857, 864
Indian rights protection ... 908
Indian Self-Determination and Education:
Assistance Act ... 67
Public Law 93–638 regulations ... 885
Indian Tribes' contracting ... 873, 876, 909
Job opportunities program ... 110–116
Johnson-O'Malley program ... 890–891
Law enforcement ... 864, 903
Equitable funding ... 905
Retroceded areas ... 904
Legislation, new ... 861
Loan guarantee ... 862
Management and facilities ... 909
Navajo irrigation project ... 864, 914
Costs, operating ... 915
Obligations ... 915
Office furniture ... 883
Operations, direct Indian ... 872
Personnel:
Estimates ... 909
Reduction goal ... 874
Public Law 93–638 ... 882, 886
Implementation schedule ... 867
Regulations ... 885
Retroceded areas ... 904
Revolving loan fund ... 862
Roads ... 895
Capability ... 897
Construction, proposed obligational authority fiscal year 1976 ... 899
Four Corners roads ... 895
Priorities ... 898
Road authorization, intent of ... 896
School construction:
Akiak School ... 882
Authorized under Public Law 93–638 ... 886
Capability ... 879
Chemawa School ... 888
Design ... 889
Diomede School ... 882
Funds Public Law 93–638 ... 879
HEW (Health Education Welfare) priorities ... 887

Page

Indian Affairs, Bureau of (BIA)—Continued
School construction—Continued
Laguna Junior High School 919
Construction schedule 920
Ramah School program 921
San Felipe School 888
Services 858
Social services 903
Trust services 909
Staff, realinement of 885
Tribal budget priorities 67
Tribal equity 904
Tribal priorities 871
Tribal resources development 858
Trust responsibilities and services 859, 864, 909
Indian Claims Commission 203
Authorizing legislation 206
Budget request 203–205
Increased space rental charge 207
Personnel and travel 206
Status of claims 206
Indian Education, Office for. (Office of Education, HEW) 989
Budget:
Estimate 989
Interim budget request 1008
Reduction of request 993
Education, statement on Indian 992
Educational assistance programs 990
Awards to Alaska 1004–1005
Interim budget request 1008
Part A—Local educational agencies (LEA's) 990, 994
Per capita funding 994
Request 994, 996
Review of part A 1005
State breakdown 1006
Part B—Indian children 990, 996
Alternative schools 997
Early childhood education 889, 967, 997
Rationale for part B request 1007
Request 995, 996
Teacher training 997
Part C—Adult education 990, 996
Adult learning centers 998
Funding criteria 999
Part D—Travel 1008
Educational needs, review of Indian 992
Educational training programs 1003
Employees, Indian 1005
Morton v. *Macari* decision 1005
Federal role, clarification of 993
Funding:
Criteria 999
Adequacy 1003
Indian Education Act:
Awards to Alaska 1004–1005
Provisions 990
National Advisory Council on Indian Education 999
Responsibilities 1002
South Dakota projects, status of 104
Workload 1002
Indian Health Service 925
Alaska:
Alaska Community Health Aides 954, 980
Alaska Federation of Natives, Inc 980
Alaska Native Health Program Development 980
Alaskan Native Health Service 977, 980
Ambulatory care program 978

Indian Health Service—Continued
Alaska—Continued Page
Construction problems 985
Leasing of Alaska clinics 953
Mental health program 977
Unmet needs 976
Alaska Community Health Aides 954
Ambulatory care 954
Alaska 978
Births, decline 947
Budget estimates 925
California Rural Indian Health Board 952
Child health 928
Clinics:
Construction, absence of budgeted 935
Cost of establishing 936
Cuba Health Clinic 938
Service to non-Indians 938
Social and Rehabilitation Service 939
Leasing of Alaskan clinics 953
Need for additional 934
Staffing 945
Tribal construction 937
Community health representatives 954
Comparative transfers 980
Alaska Federation 980
Alaska Native Health Program Development 980
California Rural Indian Health Board 980
Red Lake Tribal Council 980
Construction:
Congressional intention on construction 984
Costs 940
Accelerating 984
Hospital construction 940
Funding policy 983
Personnel 956
Priority hospitals, statuts of 955
Restraints 955
Transition requirements 956
Travel 956
Unobligated balances 955
Contracting 980
Cuba Health clinic 938
Presbyterian Medical Services 938
Services to Non-Indians 938
Social and Rehabilitation Service 939
Dental program 928, 978
Cost increases 948
Services 950–951
Emergency employment program 958
Environmental health 928
Field medical services 951
Health care:
Contract 947
Preventative 950
Choctaw Mississippi Hospital.
Lame Deer Health Center.
Tohatchi, N.Mex. dental clinic addition.
Zuni Hospital.
Health improvement factors 933
Health needs:
Budget allowances 944
Unmet 944
Health services program, desirability of preventative 934
Hospital health care request 946

Indian Health Service—Continued

Page

Hospitals:
- Acoma-Laguna, status of 942
  - Antiimpoundment Act 983
  - Legality of deferral 943, 982
  - Need for hospital 943
- Bethel Hospital, status of planning 984
  - Incremental funding of 985
- Cherokee Hospital, need for new 958
- Claremore Hospital, equipment costs 955
- Construction costs 940
- Owyhee Hospital 955
- Per diem increases 947
- Santa Fe Hospital, status of 941, 944
- Staffing 945

Indian health, departmental views on 939
Infant death rates 961–962
Maternal and child health 928
Mental health program 927
New facilities, staffing of 945
Nutrition 928
Otitis media 927, 946, 959
Participation by other organizations 929
- Indian and Alaska natives 929

Personnel:
- Ceilings 981
- New positions, lack of 977

Physician Bonus Pay Act 950
Program activities 927
- Accomplishments 933
- Continuing effort 932
- Priorities 935
- Progress 931

Program management cutback 954
Public health nursing care 951
Safety code standards and accreditation 976
Sanitation facilities 956
- Backlog 976
- Existing homes 956
- New housing 979

Statistics (charts):
- Admission to IHS and Contract hospitals 967–968
- Alcoholism 973
- Dental services 970
- Gastroenteric death rates 966
- Health indexes (Comparative) 971
- Infant death rates 962
- Life expectancy at birth 972
- Maternal death rates 963
- Medical care cost 975
- Outpatients 969
- Tuberculosis death rates 964
  - Incidence rates 965
- Venereal diseases 974

Travel:
- Costs 948
- Requirements 950

Tribal programs 952
Urban projects 952
- Funding and location 953
- Pilot health projects 953

"Indian Housing in the United States" 881
Indian Self-Determination and Education Assistance Act 67
Indian public school construction 67
- Public Law 93-638 regulations 885

Institute of Pacific Islands Forestry 729
Interior, Department of the (USDI) 1–

51-957 O - 75 - pt. 3 - 65

Interior, Department of the (USDI)—Continued
Budget:
Page
Analysis of permanent positions, fiscal years 1974–1976 20
Appropriations compared with receipts 16
Comparative tables 3–33
Estimates 2
Fish and wildlife and parks 41
Funding for energy related activities for the fiscal years 1974, 1975, and 1976 33
Land and water resources 40
New budget authority—trust funds:
Fiscal year 1975–1976 28
Transition period, July 1, 1976–Sept. 30, 1976 30
Outlays by appropriation, fiscal 1972 through 1976 8
Permanent appropriations, fiscal years 1974, 1975, and 1976 22
Permanent budget authority, fiscal 1975–1976 26
Request, Interior and related agencies 40
Summary:
Appropriations for research and development by activities—Fiscal years 1974–1975–1976 and comparison 1975 vs. 1976 31
Transition 1976–77 2
Trust funds, fiscal years 1974, 1975, and 1976 24
Departmental overview 1
Employment opportunities, increased 68, 123
Job opportunity programs 123
Leasing program, present 141
NOAA—consultation with on Ocean Mining Administration 147
Ocean mining, Interior activities in 144
Ocean Mining Administration 146–172
National Oceanographic and Atmospheric Administration, consultation with 147
Ocean Mining Office 143–146
Advisory staff operations 144
Background given by Richard R. Hite, Assistant Secretary for Energy and Minerals 145
Interior activities in ocean mining 144
Oil and Gas, Office of:
Transfer to Federal Energy Administration 44
Receipts 128
Water Research and Technology, Office of 41
Budget request 41

J

JOM. (*See* Johnson-O'Malley program.)
James Garfield Home, Ohio 579
Jefferson National Memorial expansion 598
John D. Rockefeller, Jr. Memorial Parkway 612
John Day Fossil Bed National Monument Oregon 547
John F. Kennedy Center for the Performing Arts 609
Johnson-O'Malley program 890
Joint Federal-State Land Use Planning Commission for Alaska 247
Appropriation limited by State legislature 250
Budget request 247
Transition period 255
Commission's life 255
Committee publications 250
Federal ownership 255
GS grade level 253
Personnel organization 254
Hunting, subsistence 252
Issues subcommittee 251
Native omnibus bill 256
Printing costs 253
Printing funds, additional 250
State funding 252

Joint Federal-State Land Use—Continued
Study programs: Page
Lands systems 251
Management 251
Socioeconomic 251
Technical assistance 252
Justifications of Hearings, 1976, published separately in part 2.

L

LWCF. (*See* Land and water conservation fund.)
Land and Water Conservation Fund 41
Land and water resources 40
Land Management, Bureau of (BLM) (*See also* Forest Service) 40–41
(*See also part* 2)
Accelerated public works projects 71
Budget request 40–41, 71
Fee structure 134
Land use management 134
Mining laws, old 135
Multiple use concept 135
Trans-Alaska pipeline 63–64
Wildlife ranges, shift in 66

M

MAFLA. (*See* Mississippi-Alabama-Florida.)
MESA. (*See* Mining Enforcement and Safety Administration.)
Management and Budget, Office of (OMB):
Energy R. & D. allowance 52–53
Management Framework Plan 134
Marianas. (*See* Trust Territory of the Pacific Islands. Marianas.)
Marine Minerals Technology Center:
Transfer to NOAA 146
Background history 169–171
Marine Petroleum, committee on 146
Metal and Nonmetal Mine Safety Board of Review. (*See* Federal Metal and Nonmetallic Mine Safety Board of Review.)
Micronesia. (*See* Trust Territory of the Pacific Islands. Micronesia.)
Mine health and safety. (*See* Mines, Bureau of. Health and Safety.)
Mine safety. (*See* Mines, Bureau of. Health and Safety.)
Mine Safety Appeal Board. (*See* Federal Metal and Nonmetallic Mine Safety Board of Review.)
Mined area protection 55
Mineral Leasing Act 133
Minerals:
Budget request 42
Mines, Bureau of (BM) 731
Alaska minerals 836
Alumina:
Cost sharing 827
Funding 827
Pilot plant 828
Research 813
Balance of trade 813
Beckley Center 50
Budget:
Changes in fiscal year 1975 for object classification 12 personnel benefits 845
History 783
Lapsed funds, 1974 838
Request 43, 732, 800
Summary 785
Travel and rent 838
Chart presentation 812, 816
Coal. (*See* Coal.)
Data collection and analysis 803, 834
Program increases 814

Mines, Bureau of (BM)—Continued — Page

ERDA, coordination with — 56
Electric power distribution labs. — 767
Engineering, evaluation and demonstration — 804, 835
Explosives — 834
Federal Metal and Nonmetallic Mine Safety Board of Review — 843
Grants and contribution — 839
Health and Safety — 50, 733
  Enforcement — 56
  Industry contribution — 830
  Metal and nonmetal mines — 808, 842
R. & D. (Research and Development) — 795, 829
Illumination testing — 771
Impoundments:
  Mine property — 778
  Monitoring — 779
  Standards — 778
    Revision — 779
  Waste impoundments, potentially hazardous — 778
Industry support:
  Mines R. & D. (Research and Development) — 825, 830
Job opportunities program — 119
Maintenance-Pittsburgh/Bruceton facilities — 838
Manpower — 50
  Problem for mining — 752
Metal and nonmetal health and safety research:
  Program increases — 814
Metal and nonmetal technology — 833
Metallurgy — 800, 824
  Research — 813
Mine Safety Appeal Board. (*See* Federal Metal and Nonmetallic Mine Safety Board of Review.)
Mineral resources, responsibility for — 732
  One location — 733
Mineral supply and demand — 799
Minerals:
  Alaska minerals — 836
  Data collection and analysis — 803
  Mineral cycle, complete — 812
Wilderness minerals — 837
Minerals technology, advancing — 826
Mines R. & D. (research and development), industry support for — 825, 830
Mining explosives — 834
Mining incentives — 824
Mining research — 802
Mining technology — 781, 783
  Original estimate — 781
Mortality, areas of high — 774
Nonmetal technology — 833
Oil shale extraction — 833
Personnel — 839
  Recruitment — 752
  Reorganization — 839
Pittsburgh/Bruceton facilities:
  Maintenance — 838
Program coordination with MESA — 851
R. & D. (Research and development) — 787
  Deferred program expansion — 787
Rent — 838
Reorganization — 812, 839
Salt Lake City Metallurgy Center — 829
Scrubber pilot plant — 814
Secondary recovery — 828
Stack gas cleanup — 813
State inspections — 844

	Page
Mines, Bureau of (BM)—Continued	
Travel and rent	838
Union miners	753
Wilderness minerals	837
Wilderness studies	815
Wyoming programs	852
Rock Springs subsidence	849
Mining Enforcement and Safety Administration (MESA)	806
Accident prevention	841
Budget:	
Estimates	840
Fiscal year 1975, Changes in object classification 12, Personnel benefits	845
Request	42, 810
Coal Mine Health and Safety	806
Education and training	809
Equipment, heavy surface mining	772
Funding program	773
Federal Metal and Nonmetallic Mine Safety Board of Review	843
Illumination laboratory	**771**
Emergency employment appropriation bill	771
Job opportunities program	120
Metal and nonmetal mines:	
Health and safety	808, 814, 842
Inspection positions	843
State inspections	844
Training inspectors	844
Mine illumination standards	770
Mine safety enforcement	56
Mine waste testing facility	780
Mining Equipment Safety Laboratory	773, 775
Budget requirement	777
Funding of program	773
National Mine Health and Safety Academy	766
Completion of	767
Operating costs	770
Personnel complement of	768
Program of activity	769
Student body, Size of	769
New positions	840
Penalty assessments	841
Personnel funds, transfer of	845
Program:	
Administration	844
Coordination with Bureau of Mines	851
Increases	780
State assistance	842
State inspections	844
Technical support	809
Mining laws, old	135
Mississippi-Alabama-Florida (Leases-sales):	
Baseline studies	130
Monongahela National Forest, W. Va.	685
Arrowhead Lake Recreation Complex	**686**
Blue Bend Campground	**688**
Blue Bend Recreation Area	687
Buffalo, Lake	690
Horseshoe Recreation Area	689
Seneca Rocks Recreation Complex	692
Sherwood, Lake Recreation Area	691
Spruce Knob-Seneca Rocks National Recreation Area, W. Va.	686
Stuart Recreation Area	699
Summit Lake Recreation Area	700
Morton v. Macari decision	1005
Multiploy	645

N

Page

NEPA. (*See* National Environmental Policy Act.)
NGPRP. (*See* Forest Service. Northern Great Plains Resources Program.)
NOAA. (*See* National Oceanographic and Atomspheric Administration.)
NPS. (*See* National Park Service.)
National Advisory Council on Indian Education 999, 1002
National Capital Planning Commission 219
Bicentennial activities 223
Bolling-Anacostia area 225
Budget request 219
Changes effected 220
Chauffeur's hours 227
Consultants, funds for 225
Executive development program 223
GSA leased vehicles 224, 226
Membership and vacancies 222
Office rental 224
Pennsylvania Avenue Development 223
Per diem costs for citizen members of Commission 221
Planning functions 221
Status of pertinent authorization 220
Transitional period 226
Travel request increase 224
National Environmental Policy Act (NEPA) 54
Amendments 136
Trans-Alaska pipe line, environmental impact statement 54
National Gallery of Art 183
Attendance 184
Bicentennial celebration 186, 192
Book acquisitions 187
Budget request 183
Expansion 186
New conservation positions 188
New positions 186, 188
Pay cost increases 187
Chinese exhibit 184
Donated funds 191
Evening hours 190
Gallery security 189
Impressionists not recognized 193
Lands and structures 191, 192
Michaelangelo and impressionists 193
New East Building 185
Painting, acquisitions of major 184
Summer interns 189
Visitations to gallery 190
National Mine Health and Safety Academy 766
National Oceanographic and Atmospheric Administration (NOAA):
Consultation with Interior on Ocean Mining Administration 147
Marine Minerals Technology Center, Bureau Mines, transferred to NOAA 146
National Park Service (NPS) 475
Alaska study 603
Background remarks of Director 555
Bicentennial. (*See also* American Revolution Bicentennial Administration.)
Emphasis 501, 612
Funding, fiscal 1976 538
Program 536
Staffing facilities 538
Budget request 41, 475, 556
Dual dilemma 500
Fiscal year 1976 request 500, 556
Inflationary factors 557

National Park Service—Continued	Page
Campground reservation systems	535
Litigation	545
Camping facilities, policy on	543
Civilian Conservation Corps Program	548
Concession facilities, rehabilitation of	579
Concessionaire development plans, status of	581
Concessionaire relationships	575
Construction. (*See* Planning and construction.)	
Cooperative programs	602
Mandated cooperative programs	603
Development projects:	
Costs relating to deferral of	504
Deferred	502
High priority items in backlog	504
Director's role	555
Employment ceiling	65
Employment impact of development program	546
Employment in permanent positions:	
Analysis from fiscal 1960 to 1974	563
Comparison of fiscal 1960 with 1974 between park operations, central office and other functions	560
Comparison of fiscal 1960 with 1974 for end of year employment and visitation	564
Fees:	
Collection	611
Enhancement	610
Entrance	544
Recreation fee account	610
User	545
Glacier Bay Lodge acquisition	599
Historic preservation	501
Grants	580, 608
Job opportunity program	98–109
Law enforcement training	576
Maintenance of park areas, increase for	580
Mall parking	584
Management versus development	500
Manpower utilization studies	558
National Capital Parks	585
Budget	586
National park system, expanding role of	557
National Register of Historic Places	548
Historical sites, agency responses on	549
National Visitors Center, status of the	65, 532
Center funding, limitations on	532
Natural fire policy	581
New park areas	65, 534
Newly authorized areas	501
Office space, cost of	595
Operating emphasis versus reduced development	501
Park expansion	555
Administration policy on	535
Park operations:	
Inflationary factors	557
Park transportation systems	536, 609
Personnel, temporary	533
Personnel ceiling	532
Planning and construction:	
Construction estimates	605
Construction funds, unobligated balances of	596
Construction program	595
Master planning, increase for	601
New area development	604
New area studies	600
Planning and construction backlog	578
Planning process	584

National Park Service—Continued
Planning and construction—Continued
Page
Projects proposed for reprograming 596
Roads program 604
Travel, increased 604
Public service jobs versus project employment 503
Publications:
Historic survey program 608
Informational 577
Radio equipment, leasing of 586
Recently authorized areas 547
Recreation areas, administration of 574
Service reductions 558
Sewage project funding 582
Travel costs 595
Urban parks 558
Urban park policy 575
Visitor protection and safety programs 575
Volunteers in parks (VIP) 556
National Register of Historic Places 548
National Research Council:
Report on energy reserves 61
National Visitors Center 65, 532
National Water Commission 41
Natural gas, production of 47
Natural gas reserve, estimate 61
New England hydropower site, opposition to a 127

O

OCR. (*See* Coal Research, Office of.)
OCS. (*See* Outer Continental Shelf.)
OMB. (*See* Management and Budget, Office of.)
Ocean Mining Administration 146–171
Ocean Mining Office 143–146
Office of. (*See* other part of title.)
Offshore leasing 130
Offshore Leasing Act 55
Offshore oil exploration 54
Oil and Gas, Office of:
Transfer to Federal Energy Administration 44
Oil and gas production 47
Domestic 62
Oil, gas, and coal production 47
Oil reserve 61
Oil shale:
Environmental opposition 58
Leasing, western States 59
Political opposition 58
Programs, goals of the 57
Revenues 58
Oil shale leasing, western States 59
Oregon Dunes National Recreation Area 682
Outdoor Recreation, Bureau of:
Budget request 41
Outer Continental Shelf. (*See also* part 2 under Land Management, Bureau of; Outer Continental Shelf; Solicitor, Office of) 40, 46–47
Alaska OCS studies 362
Basline and environmental studies 40, 46, 130, 360
Government working with industry 139
Incentive for development 129
Interior monitoring system 140
Leases 40, 62
Oil production goal 47
Profit-sharing techniques 131
Revenue projections 62
Soundness 63
Revenue sharing 63, 127
State OCS coordination 363

P

	Page
Parks and wildlife	64
Pennsylvania Avenue Development Corp	209
Administrative costs	211
Amendments, additional legislative	217
Authorization, status of	210
Authorizing legislation contemplated	217
Borrowing authority not utilized	213
Budget request	209
Change of roles	210
Consultants	213
Federal investment in project area	214–216
Fine Arts Commission involved	212
Private investment in project area, estimated	214
Prospects for plan	211
Reimbursable services	212
Travel and equipment	212
Pipeline planning:	
Alaska	63–64
Arctic	64
Predator control	371, 391–392

Q

"Questions and Answers About the Endangered Species Act"	395

R

Range management	67
Reclamation, Bureau of:	
Job opportunities program	121
Revenue sharing	127
"The Right to Exist"	395

S

SEAM. (*See* Surface Environment and Mining Program.)	
Saline Water, Office of. (*See* Water Research and Technology, Office of.)	
Samoa. (*See* American Samoa.)	
Scope of Subcommittee Hearings	1–2
Sheldon game range	66
Shenandoah National Park	597
Stack gas cleanup process	124
STRETCH program	717
Strip mining:	
Administration of laws	56
Reclamation	712
Research	662
Subcommittee hearings, scope of	1–2
Surface environment and mining program (SEAM)	712
Surface mining	60

T

TRANSPAC. (*See* Trans-Pacific Lines.)	
Territorial Affairs, Office of	263
Administration of territories	411
American Samoa	435
Guam	411
Virgin Islands	429
American Samoa. (*See also* American Samoa.)	435
Budget request	44, 265, 411–473
Events of past year	265
Guam. (*See also* Guam.)	411
Virgin Islands. (*See also* Virgin Islands)	429
Territorial Affairs, Office of. Trust Territory of the Pacific Islands. (*See* Trust Territory of the Pacific Islands.)	
Theodore Roosevelt National Memorial Park	612

	Page
Trans-Alaska pipeline:	
Environmental impact statement	45
Pipeline	63
Trans-Pacific Lines	346
Transition, budget 1976–77	2
Trout Pond Recreation Area, W. Va	703
Trust Territory of the Pacific Islands	44, 266
Bikini	266
Ex-gratia payment	266, 273, 280
Boats:	
Alternative means of financing	334
Construction costs, repayment of	336
Fishing authority fund, possible repayment through	336
Procurement with Japanese war claims funds	335
Budget request, fiscal 1976	266–267
Authorization for fiscal 1975, proposed	286, 293
Items not included	291
Authorization for fiscal 1976, status	301
Related budget requests	272–273
Summary	271
Supplemental request, 1975	274
Transition	266
Capital improvement:	
Funds	301
Operating programs	271
Planning	327
Program	271
Categorical assistance program	272
Funding	347
Categorical grant funding	346
Civic action teams, funding for	339
Comptroller for Guam and Trust Territory	412
Responsibilities	415
Construction program, management of expanded	328
Dispensary construction	290
Dock and harbor projects, costs of	328
Dock facilities, need for improved	328
Economic development loan fund	273, 348
Enewetak	226
Rehabilitation program	273
War claims	273, 348
Fishing Authority Fund	336
Fuel costs, increased	287
Funds:	
Reprograming of	316
Unobligated funds, utilization of end fiscal year 1974	316
Health services	286
High Commissioner's office, increase in funding	347
Hill-Burton Act	290
Interisland ship costs	287
Lands and surveys, funding for	339
Marianas:	
Commonwealth:	
Timing of establishment of	291
Transition planning funds	290
Covenant:	
Commonwealth status	265, 290
Effect on remaining districts	291
Federal funding commitment	290
Medical supplies and referrals	286
Micronesia	44, 271
Bikini	266
Ex-gratia payment	266, 273, 280
Congress of Micronesia	265
Joint Committee on Program and Budget Planning	265

Trust Territory of the Pacific Islands—Continued
Micronesia—Continued
Page
Congress of Micronesia—Continued
Statement of members 274
Witnesses 274
Economic self sufficiency 274
Enewetak Atoll 266
Rehabilitation 273
War claims 273, 348
Fishing industry, need to develop 337
Micronesian War Claims fund 348
Operating costs, explanation of increased 339
Operating programs 271
Ponape Hospital funds reprogramed 327
Projects:
Delays in construction 326
Priority order of 329
Reasons for delays 326
Public Works program 415
Related programs 266
Trans-Pacific Lines operations, loss incurred 346
Receiver funding 346
Tuna fishing boats, proposed procurement 334
Tuna fleet, ownership 335
War claims 266, 273
Yap hospital construction 288

U

USDI. (*See* Interior, Department of the.)
Underground conditions, improving [coal mine] 44
United States, economic growth of the 138
"United States List of Endangered Fauna" 395

V

VIP. (*See* National Parks Service. Volunteers in Parks.)
Virgin Islands 429
Other problems 432
Receivables, problem of 432
Recommendations, implementation of 432
Recruitment 432
Refinery activities 433

W

Washington State Indian treaty fishing rights case. (*See* Boldt Decision.)
Water conservation fund 41
Water Research and Technology Office:
Budget request 41
Water resources 40
Water Resources Research, Office of. (*See* Water Research and Technology, Office of.)
Wildlife and Parks 64
Wildlife ranges, shift in 66
Woodrow Wilson International Center for Scholars:
Benefits of nongovernment employment 244
Budget request 229
Transitional budget 239
Communications programs, other 239
Fund drive 239
Fund raising efforts 240
Funding, private 240
Employees 241
Living memorial 236

Woodrow Wilson International Center for Scholars—Continued
Page
New divisions:
Historical and Cultural Studies 238
Institute for Advanced Russian Studies 238
Resources, Environment and Interdependence 238
Social and Political Studies 238
Presidential memorials 245
Publications 238
Salary funding 243
Propriety of private salaries 243
Scholars:
Length of stay 236
Selection 237
Support, private 237
For 1975 242
Work produced at center 236

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