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# Senate Hearings

Before the Committee on Appropriations

OCT 14 1976

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## Department of the Interior and Related Agencies Appropriations

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Fiscal Year 1977

94<sup>th</sup> CONGRESS, SECOND SESSION

H.R. 14231

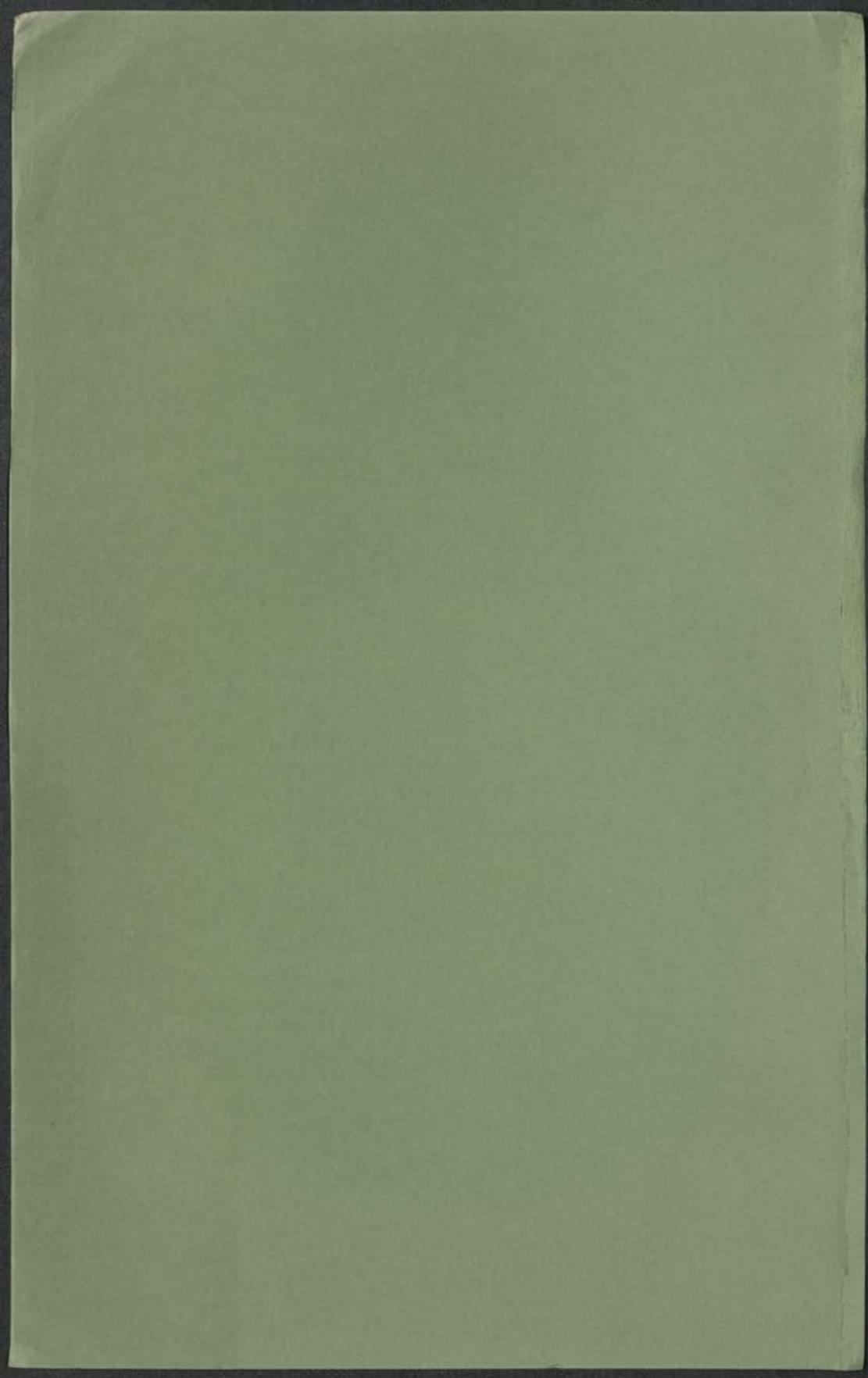
**PART 3**—(Pages 1-1196)

- AMERICAN REVOLUTION BICENTENNIAL ADMINISTRATION
- DEPARTMENT OF AGRICULTURE
- DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
- DEPARTMENT OF THE INTERIOR
- JOINT FEDERAL-STATE LAND USE PLANNING COMMISSION FOR ALASKA
- NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

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DEPARTMENT OF THE INTERIOR AND RELATED  
AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1977

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HEARINGS  
BEFORE A  
SUBCOMMITTEE OF THE  
COMMITTEE ON APPROPRIATIONS  
UNITED STATES SENATE

NINETY-FOURTH CONGRESS

SECOND SESSION

ON

**H.R. 14231**

AN ACT MAKING APPROPRIATIONS FOR THE DEPARTMENT OF  
THE INTERIOR AND RELATED AGENCIES FOR THE FISCAL  
YEAR ENDING SEPTEMBER 30, 1977, AND FOR OTHER PURPOSES

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Printed for the use of the Committee on Appropriations

**PART 3—(Pages 1-1198)**

AMERICAN REVOLUTION BICENTENNIAL ADMINISTRATION  
DEPARTMENT OF AGRICULTURE  
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE  
DEPARTMENT OF THE INTERIOR  
JOINT FEDERAL-STATE LAND USE PLANNING COMMISSION  
FOR ALASKA  
NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES



U.S. GOVERNMENT PRINTING OFFICE

66-307 O

WASHINGTON : 1976

COMMITTEE ON APPROPRIATIONS

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*Staff Assistants, Department of the Interior and Related Agencies*

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**DEPARTMENT OF THE INTERIOR AND RELATED  
AGENCIES APPROPRIATIONS FOR FISCAL YEAR  
1977**

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**WEDNESDAY, FEBRUARY 4, 1976**

**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 and Stevens.

**DEPARTMENT OF THE INTERIOR**

**DEPARTMENTAL OVERVIEW**

**STATEMENT OF HON. THOMAS S. KLEPPE, SECRETARY  
ACCOMPANIED BY:**

**H. GREGORY AUSTIN, SOLICITOR**

**NATHANIEL P. REED, ASSISTANT SECRETARY FOR FISH AND  
WILDLIFE AND PARKS**

**ROLAND G. ROBINSON, JR., DEPUTY ASSISTANT LAND AND  
WATER RESOURCES**

**WILLIAM L. FISHER, ACTING ASSISTANT SECRETARY, ENERGY  
AND MINERALS**

**JAMES T. CLARKE, ASSISTANT SECRETARY, MANAGEMENT**

**MORRIS THOMPSON, COMMISSIONER OF INDIAN AFFAIRS**

**RICHARD R. HITE, DEPUTY ASSISTANT SECRETARY, MANAGE-  
MENT**

**STANLEY D. DOREMUS, DEPUTY ASSISTANT SECRETARY PRO-  
GRAM DEVELOPMENT AND BUDGET**

**FRANCIS M. WILES, DIRECTOR OF BUDGET**

**OPENING STATEMENT OF CHAIRMAN BYRD**

Senator BYRD. This is the time scheduled to begin hearings on the 1977 fiscal year budget estimates for the Department of Interior and Related Agencies. This year we will have a compressed hearing schedule in order to complete all hearings by mid-April. This will enable the committee to comply with the timetable for appropriations bills written into the Budget Reform Act. Hopefully, we will be completing action on all regular appropriations measures this session in July.

In addition to a tight schedule, the Budget Reform Act imposes many additional responsibilities on the Congress—and particularly on the Appropriations Committees. It is the intention of Chairman McClellan, and certainly my own intention, to make every effort to comply with both the letter and the spirit of the new budget process. This will not be possible without the full cooperation of the executive branch, and I hope the agencies funded in this bill will be responsive to the needs of the committee.

#### SUBCOMMITTEE JURISDICTION

The appropriations bill for the Department of the Interior and Related Agencies covers all Interior agencies but the Bureau of Reclamation and the power marketing agencies. Related agencies covered by title II of the bill include the Forest Service, Federal Energy Administration, fossil fuel and associated programs of the Energy Research and Development Administration, Indian Health Service, Smithsonian Institution and the National Foundation on the Arts and the Humanities.

Budget authority estimates for the entire bill this year exceed \$4.5 billion dollars, an increase of nearly \$363 million over fiscal 1976 appropriations to date. More than half the bill total—some \$2.4 billion—is requested for the Interior Department agencies covered by the bill.

Additionally, there is nearly \$240 million in appropriations to liquidate contract authority. So we are talking about total requested appropriations in this bill that now begin to approach \$5 billion. I might note that this roughly quadruples the spending requests before this committee for essentially the same programs just 10 short years ago.

#### SUMMARY TABLES

At this point we will include the usual statements and comparative tables in the hearing record: First, a summary budget authority for fiscal year 1976 and 1977 by agency and appropriation for the entire bill; then Interior tables of outlays by appropriation, 1973 through 1977; appropriations and receipts for 1975 through 1977; an analysis of permanent positions and statements of permanent and trust fund appropriations for the same period; a listing of permanent budget authority, 1976-77; and finally, a tabulation of appropriations for research and development and a summary of Interior energy-related activities, both for 1975 through 1976.

[The information follows:]

Comparison of Fiscal Year 1976 New Budget (Obligat.(cal) Authority with Fiscal Year 1977 Estimates

Bureau or Office and Appropriation Title	Fiscal Year 1976		Fiscal Year 1977 Estimate	Increase or Decrease (-) 1977 Compared with 1976
	Appropriation	Pay Cost Supplemental		
<b>LAND AND WATER RESOURCES</b>				
<b>Bureau of Land Management</b>				
Management of Lands and Resources				
Energy and minerals management .....	72,027,000	548,000	83,634,000	11,059,000
Lands and realty management .....	33,129,000	666,000	36,131,000	2,336,000
Surface resource use and protection .....	53,579,000	1,130,000	56,379,000	1,670,000
Planning for multiple use .....	7,208,000	177,000	7,156,000	(29,000)
Cadastral survey .....	14,512,000	285,000	15,892,000	1,095,000
Firefighting and rehabilitation .....	4,750,000	--	4,750,000	--
General administration .....	4,377,000	217,000	4,798,000	204,000
<b>Total, Management of Lands and Resources .....</b>	<b>189,582,000</b>	<b>3,023,000</b>	<b>208,740,000</b>	<b>16,135,000</b>
<b>Construction and Maintenance</b>				
Construction .....	2,938,000	--	3,088,000	150,000
Maintenance .....	5,973,000	98,000	6,796,000	725,000
<b>Total, Construction and Maintenance .....</b>	<b>8,911,000</b>	<b>98,000</b>	<b>9,884,000</b>	<b>873,000</b>
Public Lands Development Roads and Trails: (Appropriation to liquidate contract authority) .	(3,183,000)	--	(5,000,000)	(1,817,000)
<b>Oregon and California Grant Lands (Indefinite, Appropriation of Receipts)</b>				
Construction and acquisition .....	6,015,227	--	4,759,000	-1,256,227
Operation and maintenance .....	3,950,393	--	5,719,000	1,768,607
Forest development, protection, and management .	18,034,380	--	19,522,000	1,487,620
<b>Total, Oregon and California Grant Lands .....</b>	<b>28,000,000</b>	<b>--</b>	<b>30,000,000</b>	<b>2,000,000</b>
<b>Range Improvements (Indefinite, Appropriation of Receipts)</b>				
Improvements to public lands .....	5,265,000	--	7,035,000	1,770,000
Farm Tenant Act lands .....	170,000	--	200,000	30,000
<b>Total, Range Improvements .....</b>	<b>5,435,000</b>	<b>--</b>	<b>7,235,000</b>	<b>1,800,000</b>

Bureau or Office and Appropriation Title	Fiscal Year 1976 Pay Cost	Supplemental	Available	Fiscal Year 1977 Estimate	Increase or Decrease (-) 1977 Compared with 1976
Recreation Development and Operation of Recreation Facilities (Indefinite appropriation of receipts) Development and operation of recreation facilities .....	300,000	--	300,000	300,000	--
Total, Bureau of Land Management .....	300,000	--	300,000	300,000	--
Total, Bureau of Land Management .....	3,121,000	--	3,121,000	256,159,000	20,810,000
<b>Office of Water Research and Technology</b>					
Salaries and expenses:					
Assistance to States for Institutes .....	5,730,000	--	5,730,000	5,730,000	--
Matching grants to Institutes .....	3,000,000	--	3,000,000	3,200,000	200,000
Additional water resources research .....	4,763,000	--	4,763,000	4,450,000	-313,000
Technology development .....	1,490,000	--	1,490,000	5,500,000	4,010,000
Scientific information center .....	986,000	--	986,000	1,100,000	114,000
Administration .....	2,211,000	--	2,211,000	2,293,000	82,000
Total, Office of Water Research & Technology	18,180,000	--	18,180,000	22,273,000	4,093,000
TOTAL, LAND AND WATER RESOURCES .....	250,408,000	3,121,000	253,529,000	278,437,000	24,903,000
<b>FISH AND WILDLIFE AND PARKS</b>					
<b>Bureau of Outdoor Recreation</b>					
Salaries and Expenses:					
Planning and research .....	2,879,000	82,000	3,061,000	3,214,000	153,000
Federal coordination .....	1,447,000	40,000	1,487,000	1,602,000	115,000
Technical assistance .....	1,311,000	38,000	1,349,000	1,371,000	22,000
Total, Salaries and Expenses .....	5,737,000	160,000	5,897,000	6,187,000	290,000
Land And Water Conservation:					
Assistance to States .....	175,840,000	-107,000	175,733,000	175,516,000	-217,000
Federal programs .....	126,053,000	-53,000	126,000,000	117,759,000	-8,241,000
Administrative expenses .....	6,193,000	160,000	6,353,000	6,725,000	372,000
Total, Appropriation of Receipts (Indefinite) ...	308,086,000	--	308,086,000	300,000,000	-8,086,000
Total, Bureau of Outdoor Recreation .....	313,823,000	160,000	313,983,000	306,187,000	-7,796,000

Bureau or Office and Appropriation Title	Fiscal Year 1976 Pay Cost Supplementals	Available	Fiscal Year 1977 Estimate	Increase or Decrease (-) 1977 Compared with 1976
<b>Fish and Wildlife Service</b>				
<b>Resources Management</b>				
Habitat preservation .....	443,000	20,960,000	23,671,000	2,711,000
Wildlife resources .....	1,264,000	50,952,000	51,863,000	911,000
Fishery resources .....	710,000	27,696,000	26,091,000	-1,605,000
Endangered species .....	140,000	9,467,000	9,198,000	-269,000
Interpretation and recreation .....	182,000	6,706,000	7,003,000	297,000
Administration .....	163,000	4,867,000	4,993,000	148,000
<b>Total, Resources Management .....</b>	<b>2,882,000</b>	<b>120,628,000</b>	<b>122,821,000</b>	<b>2,193,000</b>
<b>Construction and anadromous fish</b>				
New facilities .....	--	11,702,000	1,600,000	-10,102,000
Rehabilitation of facilities .....	--	2,491,000	1,614,000	-877,000
Pollution abatement .....	--	--	--	--
Anadromous fish .....	--	3,513,000	3,513,000	--
<b>Total, Construction and anadromous fish .....</b>	<b>--</b>	<b>17,706,000</b>	<b>6,727,000</b>	<b>-10,979,000</b>
<b>Migratory Bird Conservation Account .....</b>				
<b>Total, Fish and Wildlife Service .....</b>	<b>2,882,000</b>	<b>145,834,000</b>	<b>129,548,000</b>	<b>-16,286,000</b>
<b>National Park Service</b>				
<b>Operation of the National Park System</b>				
Park management .....	7,902,000	245,297,000	266,331,000	21,034,000
Forest fire suppression and rehabilitation of burned areas .....	--	700,000	700,000	--
Executive direction .....	246,000	5,139,000	5,833,000	94,000
<b>Total, Operation of the National Park System .....</b>	<b>8,148,000</b>	<b>251,136,000</b>	<b>272,864,000</b>	<b>21,128,000</b>
<b>Planning and Construction</b>				
Buildings, utilities and other facilities .....	--	18,272,000	24,862,000	6,590,000
Park, recreation, and wilderness planning .....	--	4,875,000	3,581,000	-1,294,000
Cooperative programs .....	--	3,174,000	4,100,000	926,000
Statutory or contractual aid for other activities	--	894,000	657,000	-237,000
<b>Total, Planning and Construction .....</b>	<b>--</b>	<b>27,215,000</b>	<b>33,200,000</b>	<b>5,985,000</b>

Bureau or Office and Appropriation Title	Fiscal Year 1976		Fiscal Year 1977 Estimate	Increase or Decrease (-) 1977 Compared with 1976
	Pay Cost	Supplemental		
	Appropriation	Available		
<b>FISH AND WILDLIFE AND PARKS (contd)</b>				
National Park Service (contd)				
Road Construction (Liquidation of Contract Authority)	(40,115,000)	(40,115,000)	(18,000,000)	(-22,115,000)
Roads, trails and parkways .....				
Preservation of Historic Properties	24,666,000	24,666,000	13,936,000	-10,730,000
Historic preservation and special studies .....	--	--	564,000	564,000
Advisory Council on historic preservation support				
Total, Preservation of Historic Properties .....	24,666,000	24,666,000	14,500,000	-10,166,000
John F. Kennedy Center for the Performing Arts ...	2,575,000	2,549,000	3,072,000	423,000
Planning, Development and Operation of Recreation Facilities (Indefinite)	14,000,000	14,000,000	14,000,000	--
Recreation facilities .....	312,044,000	320,266,000	337,636,000	17,370,000
Total, National Park Service .....	768,819,000	780,083,000	773,371,000	-6,712,000
<b>TOTAL, FISH AND WILDLIFE AND PARKS .....</b>				
<b>ENERGY AND MINERALS</b>				
<b>Geological Survey</b>				
Surveys, Investigations, and Research				
Alaska Pipeline related investigations .....	311,000	319,000	321,000	2,000
Topographic surveys and mapping .....	45,271,000	45,414,000	47,482,000	2,068,000
Geologic and mineral resource surveys & mapping	89,784,000	92,859,000	86,032,000	-6,807,000
Water resources investigations .....	57,483,000	58,342,000	57,382,000	-960,000
Conservation of lands and minerals .....	43,720,000	44,512,000	63,079,000	18,567,000
General administration .....	3,752,000	3,887,000 <sup>b/</sup>	3,647,000	-240,000
Facilities .....	9,007,000	9,029,000	9,448,000	419,000
Land information and analysis .....	17,919,000	18,137,000	16,897,000	-1,240,000
Total, Geological Survey .....	267,341,000	272,499,000	264,308,000	-1,609,000

a/ Includes redistribution of Standard Level User Charges (SLUC) between activities.

b/ Includes \$497,000 for employee compensation payments previously shown in the Water Resources Investigation activity.

Bureau or Office and Appropriation Title	Fiscal Year 1976 Pay Cost Fundamental	Appropriation	Available	Fiscal Year 1977 Estimate	Increase or Decrease (-) 1977 Compared with 1976
<u>ENERGY AND MINERALS (contd)</u>					
<u>Mining Enforcement and Safety Administration</u>					
Salaries and expenses					
Coal mine health and safety inspection .....	1,213,000	42,927,000	44,140,000	48,481,000	4,341,000
Metal and nonmetal mine health & safety inspections .....	329,000	12,884,000	13,213,000	16,641,000	3,428,000
Education and training .....	143,000	10,035,000	10,178,000	9,879,000	-299,000
Technical support .....	248,000	11,461,000	11,709,000	13,002,000	1,293,000
Program administration .....	70,000	2,166,000	2,236,000	2,143,000	-93,000
Total, Mining Enforcement & Safety Admin. ..	2,003,000	72,473,000	81,476,000	90,148,000	8,675,000
<u>Bureau of Mines</u>					
<u>Minors and Minerals</u>					
Metallurgy research .....	500,000	26,548,000	27,048,000	21,567,000	-5,481,000
Mining research .....	543,000	102,357,000	102,900,000	107,130,000	4,230,000
Data collection and analysis .....	285,000	14,194,000	14,479,000	14,913,000	434,000
Engineering evaluation and demonstration .....	140,000	12,923,000	13,063,000	9,273,000	-3,790,000
Program Administration .....	39,000	1,365,000	1,404,000	1,487,000	83,000
Total, Bureau of Mines .....	1,507,000	157,387,000	158,894,000	154,370,000	-4,524,000
TOTAL, ENERGY AND MINERALS .....	8,762,000	504,107,000	512,869,000	528,826,000	15,957,000
<u>Bureau of Indian Affairs</u>					
<u>Operation of Indian Programs</u>					
Education .....	5,500,000	237,585,000	243,085,000	243,807,000	722,000
Indian services .....	770,000	128,761,000	129,531,000	154,735,000	25,204,000
Tribal resources development .....	1,313,000	82,265,000	83,578,000	88,744,000	5,166,000
Trust responsibilities .....	445,000	20,892,000	21,337,000	24,010,000	2,673,000
General management and facilities operation .....	2,431,000	71,315,000	73,746,000	76,174,000	2,428,000
Navajo-Hopi settlement program .....	15,000	2,100,000	2,115,000	2,040,000	-75,000
Total, Operation of Indian Programs .....	10,474,000	542,918,000	553,392,000	589,510,000	36,118,000

Bureau or Office Appropriation Title	Fiscal Year 1976		Fiscal Year 1977 Estimate	Increase or Decrease (-) 1977 Compared with 1976
	Appropriation	Pay Cost Supplemental		
	Available			
Construction				
Buildings and utilities .....	43,522,000	--	29,600,000	-13,922,000
Irrigation systems .....	30,400,000	--	16,563,000	-13,737,000
<b>Total, Construction .....</b>	<b>73,922,000</b>	<b>--</b>	<b>46,263,000</b>	<b>-27,659,000</b>
Road Construction .....	--	--	27,205,000	27,205,000
Road Construction (appropriation to liquidate contract authority) .....	(66,705,000)	--	(46,795,000)	-(19,910,000)
Alaska Native Fund .....	70,000,000	--	30,000,000	-40,000,000
Indian Loan Guaranty and Insurance Fund .....	10,000,000	--	20,000,000	10,000,000
Revolving Fund for Loans .....	3,000,000	--	--	-3,000,000
<b>Tribal Funds:</b>				
Definite				
Education and welfare services .....	102,838	--	102,838	--
Resources management .....	491,115	--	491,115	--
Construction and land acquisition .....	70,000	--	70,000	--
General tribal affairs .....	2,336,047	--	2,336,047	--
<b>Total, Definite .....</b>	<b>3,000,000</b>	<b>--</b>	<b>3,000,000</b>	<b>--</b>
Indefinite:				
Advances to Indian tribes .....	31,200,000	--	35,387,000	4,187,000
<b>Total, Bureau of Indian Affairs .....</b>	<b>734,040,000</b>	<b>10,475,000</b>	<b>751,365,010</b>	<b>6,851,000</b>
<b>Office of Territorial Affairs</b>				
Administration of Territories				
Guam				
Economic development fund .....	1,000,000	--	1,000,000	--
American Samoa				
Governor's office .....	392,000	6,000	409,000	11,000
Chief Justice and High Court .....	383,000	3,500	386,500	-6,500
Grants .....	20,229,000	4,500	20,073,000	-156,500
<b>Total, Administration of Territories .....</b>	<b>22,000,000</b>	<b>14,000</b>	<b>21,862,000</b>	<b>-152,000</b>

Bureau or Office and Appropriation Title	Fiscal Year 1976 Pay Cost Supplemental	Appropriation	Available	Fiscal Year 1977 Estimate	Increase or Decrease (-) 1977 Compared with 1976
<b>Trust Territory of the Pacific Islands</b>					
High Commissioner's Office .....	9,800	457,100	466,900	513,400	46,500
Judiciary .....	7,500	431,600	439,100	460,300	21,200
Grants .....	96,700	75,082,300	75,179,000	81,097,300	5,918,300
Economic development loan fund .....	--	1,000,000	1,000,000	--	-1,000,000
Federal Comptroller's Office .....	--	225,000	225,000	250,000	25,000
Bikini Ex-gratia payment .....	--	3,000,000	3,000,000	--	-3,000,000
<b>Total, Trust Territory of the Pacific Islands .....</b>	<b>114,000</b>	<b>80,196,000</b>	<b>80,319,000</b>	<b>87,321,000</b>	<b>2,011,000</b>
<b>Micronesian War Claims, Trust Territory of the Pacific Islands .....</b>					
	--	10,000,000	10,000,000	--	-10,000,000
<b>Total, Office of Territorial Affairs .....</b>	<b>128,000</b>	<b>112,196,000</b>	<b>112,324,000</b>	<b>104,183,000</b>	<b>-8,141,000</b>
<b>SECRETARIAL OFFICES</b>					
<b>Office of the Solicitor</b>					
Salaries and Expenses:					
Legal services .....	353,000	11,263,000	11,616,000	12,658,000	1,042,000
<b>Office of the Secretary</b>					
Salaries and Expenses:					
Departmental direction .....	253,000	7,677,900	7,930,900	8,583,000	652,100
Program direction and coordination .....	93,500 a/	2,109,300	2,202,800	2,455,000	252,200
Administrative management .....	203,500 a/	6,895,800	7,099,300	7,682,000	582,700
General Services .....	--	2,051,000	2,051,000	2,377,000	326,000
<b>Total, Salaries and Expenses .....</b>	<b>550,000</b>	<b>18,734,000</b>	<b>19,284,000</b>	<b>21,097,000</b>	<b>1,813,000</b>
<b>Departmental operations:</b>					
Office of Hearings and Appeals .....	120,300	5,348,300	5,468,300	5,655,000	186,700
Natural Resources Library .....	38,100	2,105,000	2,143,100	2,284,000	140,900
Johnny Horizon Program office .....	5,200	300,400	305,600	373,000	67,400
Office of Mineral Policy Research and Development .....	21,800	1,462,000	1,483,800	1,602,000	118,200
Emergency Preparedness .....	20,000	2,262,000	2,282,000	1,625,000	-657,000
Outer Continental Shelf Program .....	10,900	277,000	287,900	465,000	177,100
	8,700	398,600	407,300	691,000	283,700
<b>Total, Departmental Operations .....</b>	<b>225,000</b>	<b>12,153,000</b>	<b>12,378,000</b>	<b>12,695,000</b>	<b>317,000</b>

a/ Includes \$11,000 transfer from Secretarial Operations to Office of Territorial Affairs.

Bureau or Office and Appropriation Title	Fiscal Year 1976 Pay Cost Supplemental	Appropriation	Available	Fiscal Year 1977 Estimate	Increase or Decrease (-) 1977 Compared with 1976
Salaries and Expenses (Special Foreign Currency Program)	--	1,494,000	1,494,000	307,000	-1,187,000
Research .....	--	--	--	600,000	600,000
Endangered species .....	--	--	--	--	--
Total, Salaries and Expenses (Special Foreign Currency Program) .....	--	1,494,000	1,494,000	907,000	-587,000
Total, Office of the Secretary .....	775,000	32,381,000	33,156,000	34,699,000	1,543,000
TOTAL, SECRETARIAL OFFICES .....	1,128,000	43,654,000	44,772,000	47,357,000	2,585,000
TOTAL, NEW BUDGET (OBIGATIONAL AUTHORITY, DEPARTMENT OF THE INTERIOR .....	34,877,000	2,413,214,000	2,448,091,000	2,483,534,000	35,443,000
Consisting of:					
Appropriations .....	34,877,000	2,413,214,000	2,448,091,000	2,483,534,000	35,443,000
Definite Appropriations .....	34,877,000	2,026,193,000	2,061,070,000	2,096,612,000	35,542,000
Indefinite Appropriations .....	--	387,021,000	387,021,000	386,922,000	-99,000
Memoranda					
Appropriations to Liquidate Contract Authority .....	--	110,003,000	110,003,000	69,795,000	-40,208,000
TOTAL, NEW BUDGET (OBIGATIONAL) AUTHORITY AND APPROPRIATIONS TO LIQUIDATE CONTRACT AUTHORITY ..	34,877,000	2,523,217,000	2,558,094,000	2,553,329,000	-4,765,000
Total, New Budget (Obligational) Authority, Department of the Interior .....	34,877,000	2,413,214,000	2,448,091,000	2,483,534,000	35,443,000
<b>PERMANENT APPROPRIATIONS</b>					
Payments to States and Local Governments					
Bureau of Land Management .....	--	179,399,000	179,399,000	126,800,000	-52,599,000
Fish and Wildlife Service .....	--	2,400,000	2,400,000	3,300,000	900,000
National Park Service .....	--	320,000	320,000	320,000	--
Bureau of Indian Affairs .....	--	2,200,000	2,200,000	2,200,000	--
Office of Territorial Affairs .....	--	20,100,000	20,100,000	19,256,000	-844,000
Total .....	--	204,419,000	204,419,000	151,876,000	-52,543,000

Bureau or Office and Appropriation Title	Fiscal Year 1976		Fiscal Year 1977 Estimate	Increase or Decrease (-) 1977 Compared with 1976
	Appropriation	Pay Cost Supplemental		
<b>PERMANENT APPROPRIATIONS (Contd)</b>				
Receipts applied to operations				
Bureau of Land Management .....	1,501,000	--	1,500,000	-1,000
Bureau of Indian Affairs .....	12,666,000	--	12,666,000	--
Fish and Wildlife Service .....	13,845,000	--	13,045,000	-800,000
Office of the Secretary .....	25,000	--	25,000	--
Subtotal .....	<u>28,037,000</u>	--	<u>27,236,000</u>	<u>-801,000</u>
<b>Mixed receipts</b>				
Fish and Wildlife Service .....	84,941,000	--	89,941,000	5,000,000
Total, Permanent Appropriations .....	<u>317,397,000</u>	--	<u>269,053,000</u>	<u>-48,344,000</u>
<b>CONTRACT AUTHORITY</b>				
Bureau of Outdoor Recreation .....	30,000,000	--	30,000,000	--
Bureau of Mines .....	--	--	47,500,000	47,500,000
Total, Contract Authority .....	<u>30,000,000</u>	--	<u>77,500,000</u>	<u>47,500,000</u>
<b>TRUST FUNDS</b>				
Bureau of Land Management .....	700,000	--	700,000	--
Fish and Wildlife Service .....	2,063,000	--	2,063,000	--
National Park Service .....	3,000,000	--	3,000,000	--
Bureau of Mines .....	485,000	--	600,000	115,000
Bureau of Indian Affairs .....	237,138,000	--	228,702,000	-8,436,000
Total, Trust Funds .....	<u>243,406,000</u>	--	<u>235,065,000</u>	<u>-8,341,000</u>

Bureau or Office and Appropriation Title	Fiscal Year 1976 Pay Cost Supplemental	Available	Fiscal Year 1977 Estimate	Increase or Decrease (-) 1977 Compared with 1976
<u>PROPOSED FOR SEPARATE TRANSMITTAL</u>				
<u>Existing legislation</u>				
Bureau of Land Management:				
Management of lands and resources .....	--	22,000,000	--	-22,000,000
Mining Enforcement and Safety Administration	--	2,143,000	--	-2,143,000
Salaries and expenses .....	--	16,307,000	--	-16,307,000
Bureau of Indian Affairs:				
Operation of Indian Programs .....	--	5,250,000	--	-5,250,000
Construction .....	--	4,740,000	--	-4,740,000
Territorial Affairs:				
Administration of Territories .....	--	50,440,000	--	-50,440,000
Total, Proposed supplemental under existing legislation .....	--	50,440,000	--	-50,440,000
<u>Additional authorizing legislation required</u>				
Territorial Affairs:				
Trust Territory of the Pacific Islands .....	--	10,148,000	--	-10,148,000
Total, authorizing legislation required .....	--	10,148,000	--	-10,148,000
<u>REVISIONS PENDING</u>				
Bureau of Land Management				
Public Lands development roads and trails -	--	-8,800,000	--	8,800,000
Contract authority .....	--	-58,500,000	--	58,500,000
National Park Service				
Road construction - contract authority .....	--	-67,300,000	--	67,300,000
Total, rescissions pending .....	--	3,032,182,000	--	-3,032,182,000
GRAND TOTAL, NEW BUDGET (OBLIGATIONAL AUTHORITY, DEPARTMENT OF THE INTERIOR (EXCLUSIVE OF THE POWER AGENCIES))	34,877,000	3,032,182,000	3,065,152,000	32,970,000

Outlays by Appropriation for Fiscal Years 1973 through 1977

Appropriation	Actual		1975	1976	Estimate Trans. Qtr.	1977
	1973	1974				
<b>LAND AND WATER RESOURCES</b>						
<b>Bureau of Land Management</b>						
Management of Lands and Resources .....	95,477,738	105,824,785	159,860,943	191,078,000	47,714,000	204,805,000
Construction and Maintenance .....	5,574,101	6,110,805	7,930,770	9,429,000	2,032,000	8,180,000
Public Land Development Roads and Trails .....	3,517,744	3,176,384	3,545,331	4,300,000	1,511,000	5,000,000
Oregon and California Great Lands .....	20,599,029	20,058,415	29,572,709	34,064,000	9,010,000	30,232,000
Range Improvements .....	2,617,985	2,924,609	3,928,923	5,200,000	1,100,000	5,812,000
Recreation Development and Operation of Recreation Facilities .....	--	145,875	145,283	260,000	70,000	240,000
Subtotal, Items in Appropriation Bill .....	127,286,597	130,240,873	204,993,959	244,331,000	61,457,000	254,959,000
Miscellaneous Permanent Appropriations .....	97,546,087	107,762,078	179,329,601	182,010,000	145,400,000	178,300,000
Trust Funds .....	502,313	496,237	574,065	740,000	150,000	678,000
Supplementals - Existing Legislation Management of Lands and Resources Firefighting and natural gas pipeline .....	--	--	--	21,340,000	660,000	--
TOTAL, Bureau of Land Management .....	225,834,997	246,499,188	384,887,625	448,421,000	207,667,000	383,197,000
Office of Water Resources Research Salaries and Expenses, in Appropriation Bill -- TOTAL .....	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	23,015,132	19,000,000	4,423,000	18,200,000
Consolidated Working Fund .....	--	155,564	41,929	23,000	--	--
Trust Fund .....	--	-172,098	194,608	--	--	--
TOTAL, Office of Water Research and Technology .....	--	26,593,628	23,251,669	19,023,000	4,423,000	18,200,000
TOTAL, LAND AND WATER RESOURCES .....	239,804,849	273,092,816	408,139,294	467,444,000	212,090,000	401,397,000

Appropriation	Actual		Estimate		
	1973	1974	1975	1976	1977
<b>FISH AND WILDLIFE AND PARKS</b>					
Bureau of Outdoor Recreation	4,116,307	4,384,632	5,251,183	5,892,000	6,188,000
Salaries and Expenses .....	205,328,642	248,488,010	283,616,819	300,000,000	329,000,000
Land and Water Conservation .....					
Subtotal, Items in Appropriation Bill .....	209,444,949	252,872,642	288,868,002	305,892,000	335,188,000
Consolidated Working Fund .....	-105,308	96,985	2,557	--	--
Trust Funds, Contributed Funds .....	563	--	--	--	--
TOTAL, Bureau of Outdoor Recreation .....	209,340,204	252,969,627	288,870,559	305,892,000	335,188,000
U.S. Fish and Wildlife Service (Formerly Bureau of Sport Fisheries and Wildlife)					
Resources Management .....	73,404,477	83,307,402	99,210,938	112,431,000	119,405,000
Construction and Anadromous Fish .....	7,428,171	9,025,703	8,790,228	15,400,000	7,000,000
Migratory Bird Conservation Account - Direct ..	7,100,000	3,500,000	1,000,000	7,500,000	--
Subtotal, Items in Appropriation Bill .....	87,932,648	95,833,105	109,001,166	135,331,000	132,205,000
Migratory Bird Conservation Account (Permanent)	5,146,281	9,043,857	15,464,095	6,500,000	6,390,000
Miscellaneous Appropriations .....	56,600,279	55,219,000	72,100,336	81,000,000	20,360,000
Subtotal, Permanents .....	61,746,560	64,262,857	87,564,431	87,500,000	26,750,000
Trust Funds (Contributed Funds) .....	1,720,365	1,595,000	1,356,840	1,800,000	925,000
Intragovernmental Funds:					
Consolidated Working Fund .....	241,287	233,137	-2,881,213	700,000	700,000
TOTAL, U.S. FISH AND WILDLIFE SERVICE .....	151,641,060	161,924,099	195,041,224	225,331,000	232,955,000
National Park Service					
Management and Protection .....					
Maintenance and Rehabilitation of Physical Facilities .....					
General Administrative Expenses .....	7,277,286	9,193,373	13,846,729	17,066,000	6,045,000
Preservation of Historic Properties .....	160,878,971	170,889,904	224,209,255	240,843,000	273,495,000
Operation of the National Park System .....					
Road Construction (Liquidation of Contract Authority) .....	16,352,355	16,172,167	24,559,717	39,522,000	22,925,000
Planning and Construction .....	20,789,000	39,778,440	56,091,831	13,663,000	54,346,000
John F. Kennedy Center for the Performing Arts	1,727,195	2,130,797	2,605,398	2,588,000	2,992,000
Planning, Development and Operation of Recreation Facilities .....	--	10,458,335	18,284,075	9,659,000	13,500,000
Subtotal, Items in Appropriation Bill .....	207,024,807	248,623,016	339,597,005	364,497,000	386,458,000

Appropriation	1973	Actual 1974	1975	1976	Estimate Tran. Oct.	1977
<b>Permanent Appropriations</b>						
Operation, Management, Maintenance and Demolition of Federally Acquired Properties, Indiana National Park .....	7,900	--	--	36,000	--	--
Education Expenses, Children of Employees, Yellowstone National Park .....	313,980	229,150	201,747	259,000	55,000	295,000
Payment of tax losses on land acquired for Grand Teton National Park .....	21,282	20,711	40,998	25,000	--	25,000
<b>Subtotal, Miscellaneous Permanent Appropriations</b>	<b>343,162</b>	<b>249,861</b>	<b>242,745</b>	<b>320,000</b>	<b>55,000</b>	<b>320,000</b>
<b>Trust Funds:</b>						
National Park Service, Donations .....	1,614,705	1,439,866	1,640,282	2,997,000	749,000	1,497,000
Advances from District of Columbia .....	85,231	--	21,033	--	--	100,000
Preservation, Birthplace of Abraham Lincoln .....	9,673	8,240	--	3,000	1,000	3,000
Jefferson National Expansion Memorial, Contributions .....	44,717	--	373,520	--	--	--
<b>Subtotal, Trust Funds</b> .....	<b>1,754,326</b>	<b>1,448,106</b>	<b>2,034,835</b>	<b>3,000,000</b>	<b>750,000</b>	<b>1,600,000</b>
Consolidated Working Fund .....	-197,708	-162,489	-76,900	--	--	--
<b>TOTAL, National Park Service</b> .....	<b>208,924,487</b>	<b>250,483,472</b>	<b>341,797,685</b>	<b>367,817,000</b>	<b>115,959,000</b>	<b>390,378,000</b>
<b>TOTAL, FISH AND WILDLIFE AND PARKS</b> .....	<b>569,905,851</b>	<b>665,377,198</b>	<b>825,709,468</b>	<b>899,040,000</b>	<b>245,460,000</b>	<b>938,521,000</b>
<b>ENERGY AND MINERALS</b>						
<b>Geological Survey</b>						
Surveys Investigations and Research (Appropriations Bill) .....	139,304,667	177,638,972	226,867,845	269,860,000	71,495,000	284,345,000
Miscellaneous Permanent Appropriations .....	--	--	-47	--	--	--
Consolidated Working Fund .....	-865,688	723,731	-1,957,945	--	--	--
<b>TOTAL, Geological Survey</b> .....	<b>138,438,979</b>	<b>178,362,703</b>	<b>224,909,853</b>	<b>269,860,000</b>	<b>71,495,000</b>	<b>284,345,000</b>
<b>Bureau of Mines</b>						
Miners and Minerals (Appropriation Bill) .....	81,802,000	82,712,000	115,562,661	143,014,000	41,928,000	156,724,000
Miscellaneous Appropriations (Solid Waste Disposal and Drainage of Anthraxite Mines) Permanent .....	90,000	87,000	64,275	200,000	50,000	200,000
Public Enterprise Funds: Helium Fund (Borrowing Authority) .....	-1,181,000	-1,616,000	-455,262	43,000	268,000	312,000
<b>Subtotal</b> .....	<b>80,711,000</b>	<b>81,183,000</b>	<b>115,171,674</b>	<b>143,257,000</b>	<b>42,246,000</b>	<b>157,236,000</b>

Appropriation	Actual		1975	1976	Estimate	
	1973	1974			Tran. Qtr.	1977
Trust Funds .....	649,000	423,000	468,178	485,000	120,000	600,000
Consolidated Working Fund .....	2,475,000	300,000	-2,928,945	594,000	35,000	1,688,000
TOTAL, Bureau of Mines .....	83,834,000	81,306,000	112,710,907	144,336,000	42,401,000	159,524,000
<u>Mining Enforcement and Safety Administration</u>						
Salaries and Expenses .....	53,060,000	58,804,000	66,260,096	81,241,000	22,834,000	88,554,000
Consolidated Working Fund .....	175,000	-14,732	150,041	15,000	--	--
Trust Funds .....	--	--	--	35,000	--	--
Supplementals - Existing Legislation						
Salaries and Expenses						
Travel and equipment purchase for inspectors				2,143,000	--	--
TOTAL, Mining Enforcement and Safety Administration .....	53,235,000	58,977,000	68,395,405	83,434,000	22,834,000	88,554,000
<u>Office of Coal Research</u>						
Salaries and Expenses in Appropriation Bill .....	33,033,640					
Trust Funds .....	3,471,066					
TOTAL, Office of Coal Research .....	36,504,706					
<u>Fuel Allocation, Oil and Gas Program</u>						
Salaries and Expenses in Appropriation Bill .....	1,604,373					
Proposed Supplemental - Existing Legislation .....	--					
TOTAL, Fuel Allocation, Oil and Gas Program .....	1,604,373					
TOTAL, ENERGY AND MINERALS .....	313,617,058	318,645,703	406,016,185	497,630,000	136,730,000	532,423,000
<u>Bureau of Indian Affairs</u>						
Education and Welfare Services .....	292,031,229	309,483,968	Merged with Operation of Indian Programs	"	"	"
Resources Management .....	76,629,057	87,068,801	469,154,525	546,280,000	156,446,000	590,311,000
Operation of Indian Programs .....	--	--	60,404,111	73,250,000	15,000,000	72,737,000
Construction .....	42,273,638	48,916,697				
Roads Construction (Liquidation of Contract Authority) .....	40,630,645	55,604,002	66,945,480	66,757,000	27,000,000	68,000,000
General Administrative Expenses .....	6,182,918	4,832,739	Merged with Operation of Indian Programs	30,000,000	2,078,000	4,536,000
Revolving Fund for Loans .....	-733,443	-158,946	7,125,985	4,267,000	1,473,000	6,573,000
Indian Loan Guaranty and Insurance Fund .....	--	--	96,450			
Subtotal, Items in Appropriation Bill .....	457,014,044	505,747,261	603,726,551	720,554,000	201,937,000	742,157,000

Appropriation	Actual		1975	1976	Estimate Tran. Qtr.	1977
	1973	1974				
Claims and Treaty Obligations .....	50,284,757	70,294,817	70,344,677	70,000,000	40,000,000	30,000,000
Miscellaneous Permanent Appropriations .....	9,769,351	11,166,687	16,280,421	15,000,000	4,000,000	15,000,000
Alaska Native Funds .....	--	131,208,140	845,262	12,161,000	--	--
Tribal Funds (Trust) .....	192,825,718	129,003,506	143,635,279	255,448,000	77,480,000	254,267,000
Miscellaneous Trust Funds .....	4,402,271	3,444,074	4,530,356	4,400,000	474,000	4,400,000
Subtotal, Trust Funds .....	197,227,889	263,655,720	148,910,897	272,009,000	77,954,000	258,667,000
Supplementals - Existing Legislation						
Operation of Indian Programs--						
Fire Suppression .....	--	--	--	4,800,000	--	200,000
Rights and Litigation and Environmental						
Statements .....	--	--	--	707,000	--	350,000
Self-Determination Grants .....	--	--	--	10,000,000	--	250,000
Subtotal .....	--	--	--	15,507,000	--	800,000
Construction - Buildings and utilities, land						
acquisition, irrigation system .....	--	--	--	4,000,000	--	1,250,000
Total, Supplementals .....	--	--	--	19,507,000	--	2,050,000
Consolidated Working Fund .....	-2,206,249	-4,375,053	1,817,992	--	--	--
Liquidation of Hoonah Housing Project Revolving						
Fund .....	4,143	2,523	3,909	13,000	2,000	13,000
TOTAL, Bureau of Indian Affairs .....	712,093,035	846,491,955	839,384,447	1,097,083,000	323,953,000	1,047,887,000
Offices of Territories						
Administration of Territories .....	21,968,365	19,969,749	19,244,388	23,868,000	5,019,000	27,622,000
Trust Territory of the Pacific Islands .....	60,737,902	63,842,228	70,403,781	84,448,000	17,309,000	80,817,000
Micronesian Claims Fund .....	1,000	37,998	-177,054	10,000,000	8,139,000	3,033,000
Subtotal, Items in Appropriation Bill .....	82,707,267	83,849,975	89,471,115	118,316,000	30,467,000	111,472,000
Permanent Appropriations:						
Internal Revenue Collections for the Virgin						
Islands .....	22,408,916	17,329,571	17,239,899	32,350,000	4,885,000	19,505,000
Office of Comptroller for Guam .....	--	596,384	313,847	680,000	200,000	655,000
Proposed Supplemental - Existing legislation ...	--	--	--	1,221,000	3,519,000	--

Appropriation	Actual		1975	Estimate		
	1973	1974		1976	Tran. Oct.	1977
Office of Territories (cont'd)						
Proposed Supplemental - Proposed Administration of Territories Legislation				5,644,000	7,143,000	
Trust Territory of the Pacific Islands .....			107,024,861	158,221,000	40,504,000	131,632,000
TOTAL, Office of Territories .....	105,116,183	101,775,930	107,773,057	11,607,000	2,673,000	12,657,000
Office of the Solicitor						
Salaries and Expenses, in Appropriation Bill ...	7,091,132	7,950,000	10,773,057	11,607,000	2,673,000	12,657,000
Office of the Secretary						
Salaries and Expenses .....	14,754,531	17,682,000	19,963,652	18,963,000	4,675,000	20,496,000
Departmental Operations .....	4,069,374	5,598,959	9,928,655	11,918,000	2,641,000	11,521,000
Special Foreign Currency Program						
Salaries and Expenses .....	356,308	617,393	136,504	1,180,000	65,000	800,000
Saline Water Research .....	27,229,691	To Office of Water Research and Technology				
Subtotal, Items in Appropriation Bill .....	46,409,904	23,898,352	30,028,811	32,061,000	7,381,000	32,817,000
Permanent Appropriation .....	24,895	37,415	8,410	25,000	5,000	25,000
Trust Funds .....	72,316	--	--	--	--	--
Working Capital Fund .....	-267,408	-2,776,965	3,495,316	--	--	--
Consolidated Working Fund .....	-343,968	-1,096,966	652,810	--	--	--
TOTAL, Office of the Secretary 1/ .....	45,895,739	20,061,836	34,185,347	32,086,000	7,386,000	32,862,000
TOTAL, DEPARTMENT OF THE INTERIOR (Excludes Power Agencies) .....	1,993,523,847	2,233,395,438 2/	2,631,232,639	3,163,111,000	968,796,000	3,117,359,000

1/ Excludes Underground Electric Power Transmission Research which is included in the Public Works Appropriation 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  
(in thousands of dollars)

Appropriations	1975 Actual	1976 Estimate	TQ Estimate	1977 Estimate
Annual Definite .....	3,017,401	3,218,582	909,049	3,262,199
Annual Indefinite .....	43,569	47,735	14,400	51,535
Permanent .....	304,798	320,397	176,600	272,053
Trust .....	199,105	255,691	82,225	264,065
Total .....	<u>3,564,873</u>	<u>3,842,405</u>	<u>1,182,274</u>	<u>3,849,852</u>
<u>RECEIPTS</u>				
Admission fees, concessions, and special benefit charges .....	16,795	17,438	5,334	17,494
Receipts from sale of refuges products .....	3,986	4,200	1,380	4,300
Grazing fees .....	11,366	18,447	1,406	22,489
Revenues, Oregon & California & Coos Bay Wagon Road lands .....	102,320	118,003	36,607	127,702
Sales of products .....	3,526	3,822	1,013	4,079
Mineral, oil and gas leasing, etc.	161,834	178,508	38,691	206,321
Receipts from mineral leasing, Outer Continental Shelf .....	2,427,965	3,000,000	500,000	6,000,000
Interest on & repayments to other funds .....	16,794	18,496	3,565	18,631
Revenues from Colorado River Dam Fund project .....	4,868	6,330	3,572	7,610
<u>Collections, Reclamation Fund</u>				
Bureau of Reclamation:				
Sale of power & other utilities	118,508	131,925	33,047	133,408
Other receipts .....	21,697	27,536	4,948	27,096
Bonneville Power Administration:				
Sale of Electric energy .....	7,478	8,312	3,787	14,080
Bureau of Land Management:				
Receipts from mineral leasing, public lands .....	152,488	180,112	38,794	204,612
Other receipts .....	<u>12,501</u>	<u>24,777</u>	<u>6,300</u>	<u>28,755</u>
Total, Collections, Reclamation Fund .....	<u>312,672</u>	<u>372,662</u>	<u>86,876</u>	<u>407,951</u>
Sale of power & other utilities ..	19,527	19,520	4,903	19,523
Sale of Bonneville power .....	173,719	19,900	5,050	20,500
Sale of Southeastern power .....	38,643	42,000	11,400	44,000
Sale of Southwestern power .....	45,386	32,068	8,000	32,118
Sale of Eklutna, Alaska power ....	1,124	1,530	370	1,500
Sale and transmission of electric energy, Snettisham Proj., Alaska	125	915	234	1,450
Sale of Falcon Dam, Texas power ..	42	11	3	11
Miscellaneous rentals, fees, and permits .....	7,254	14,535	4,197	18,798

Appropriations	1975 Actual	1976 Estimate	TQ Estimate	1977 Estimate
Collections for services to Indians	18,249	15,653	4,048	15,654
Indian Trust receipts .....	134,417	119,591	40,048	119,591
All other Trust receipts .....	12,853	15,533	5,319	32,363
Recoveries and refunds .....	1,468	1,556	384	1,557
Sale of Public lands, buildings, and other property .....	10,427	2,372	411	2,599
Receipts, Land and Water Conserva- tion Fund .....	19	31	9	31
Unclassified receipts .....	246	249	33	202
<b>Total, Proprietary Receipts ...</b>	<b>3,525,625</b>	<b>4,023,370</b>	<b>762,853</b>	<b>7,126,474</b>
Collected by Interior not deducted in Printed Budget:				
Governmental receipts .....	7,158	47,246	9,710	50,450
Interest on loans and advances	15,228	16,430	4,582	17,281
Collected by other Federal Agencies:				
Receipts, Land and Water Con- servation Funds .....	52,561	64,508	13,106	70,764
Receipts, Federal Aid in Fish Restoration & Management ...	18,189	21,894	4,800	23,494
Receipts, Federal Aid in Wild- life Restoration .....	56,855	63,047	13,900	66,447
Internal Revenue Collections for Virgin Islands .....	17,676	19,500	4,875	19,000
<b>Total, Receipts .....</b>	<b>3,693,292</b>	<b>4,255,995</b>	<b>813,826</b>	<b>7,373,910</b>
	<b>Net Difference</b>			
Appropriations compared with total receipts .....	-128,419	-413,590	368,448	-3,524,058

Appropriations Compared with Receipts  
(Excludes Bureau of Reclamation and Power Marketing Agencies)

(In thousands of dollars)

Appropriations	1975 Actual	1976 Estimate	TQ Estimate	1977 Estimate
Annual Definite .....	2,328,974	2,570,947	717,697	2,501,794
Annual Indefinite .....	43,569	47,735	14,400	51,535
Permanent .....	301,986	317,397	175,400	269,053
Trust .....	189,035	243,406	77,845	235,065
<b>Total .....</b>	<b>2,863,564</b>	<b>3,179,485</b>	<b>985,342</b>	<b>3,057,447</b>
	<b>RECEIPTS</b>			
Admission fees and concessions .....	16,795	17,438	5,334	17,494
Receipts from sale of refuge products	3,986	4,200	1,380	4,300
Grazing fees .....	11,366	18,447	1,406	22,489

Appropriation	1975 Actual	1976 Estimate	TQ Estimate	1977 Estimate
Revenue, Oregon & California & Coos Bay Wagon Road Lands .....	102,320	118,003	36,607	127,702
Sale of products .....	3,526	3,822	1,013	4,079
Mineral, oil and gas leasing, etc. .	161,834	178,508	38,691	206,321
Receipts, mineral leasing, Outer Continental Shelf .....	2,427,965	3,000,000	500,000	6,000,000
Interest on and repayments to other funds .....	10,278	12,666	2,628	12,811
<b>Collections, Reclamation Fund:</b>				
Bureau of Land Management:				
Receipts from mineral leasing public lands .....	152,483	180,112	38,794	204,612
Other Receipts .....	12,501	24,777	6,300	28,755
Total Collections, Reclamation Fund .....	164,989	204,889	45,094	233,367
Miscellaneous rentals, fees, and permits .....	6,216	13,522	3,944	17,785
Collections & services to Indians ..	18,249	15,653	4,048	15,654
Indian Trust receipts .....	134,417	119,591	40,048	119,591
All Other Trust receipts .....	1,753	3,248	940	3,363
Recoveries and refunds .....	1,375	1,556	384	1,557
Sale of public lands, buildings, and other property .....	10,377	1,821	330	2,048
Receipts, Land & Water Cons. Fund ..	19	31	9	31
Unclassified receipts .....	198	224	30	166
Total, Proprietary Receipts....	3,075,663	3,713,619	681,886	6,788,758
Collected by Interior but not deducted in Printed Budget:				
Governmental Receipts .....	7,158	47,246	9,710	50,450
Collected by other Federal Agencies:				
Receipts, Land & Water Cons. Fund ..	52,561	64,508	13,106	70,764
Receipts, Federal Aid in Fish Restora- tion and Management .....	18,189	21,894	4,800	23,494
Receipts, Federal Aid in Wildlife Restoration .....	56,855	63,047	13,900	66,447
Internal Revenue Collection for Virgin Islands .....	17,676	19,500	4,875	19,000
Total Receipts .....	3,228,102	3,929,814	728,277	7,018,913
<b>Net Difference</b>				
Appropriations compared with receipts	-364,538	-750,329	257,065	-3,961,466

Appropriations Compared with Receipts  
Bureau of Reclamation and Power Marketing Agencies

(In thousands of dollars)

Appropriations	1975 Actual	1976 Estimate	TQ Estimate	1977 Estimate
Annual Definite .....	688,427	647,635	191,352	760,405
Permanent .....	2,812	3,000	1,200	3,000
Trust .....	10,070	12,285	4,380	29,000
<b>Total .....</b>	<b>701,309</b>	<b>662,920</b>	<b>196,932</b>	<b>792,405</b>
<u>RECEIPTS</u>				
Interest on and repayments to other funds .....	6,516	5,830	937	5,820
Revenues from Colorado River Fund Project .....	4,868	6,330	3,572	7,610
<u>Collections, Reclamation Fund:</u>				
Bureau of Reclamation:				
Sale of Power & other utilities .	118,508	131,925	33,047	133,408
Other receipts .....	21,697	27,536	4,948	27,096
Bonneville Power Administration:				
Sale of electric energy .....	7,478	8,312	3,787	14,080
<b>Total Collection, Reclamation Fund .....</b>	<b>147,683</b>	<b>167,773</b>	<b>41,782</b>	<b>174,584</b>
Sale of power and other utilities ...	19,527	19,520	4,903	19,523
Sale of Bonneville power .....	173,719	19,900	5,050	20,500
Sale of Southeastern power .....	38,643	42,000	11,400	44,000
Sale of Southwestern power .....	45,386	32,068	8,000	32,118
Sale of Eklutna, Alaska power .....	1,124	1,530	370	1,500
Sale of transmission electric energy, Snettisham Project, Alaska .....	125	915	234	1,450
Sale of Falcon Dam, Texas power .....	42	11	3	11
Miscellaneous rentals, fees & permits	1,038	1,013	253	1,013
Sale of public lands, buildings and other property .....	50	550	80	551
Trust receipts .....	11,100	12,285	4,380	29,000
Recoveries and refunds .....	93	--	--	--
Unclassified receipts .....	48	26	3	36
<b>Total proprietary Receipts .....</b>	<b>449,962</b>	<b>309,751</b>	<b>80,967</b>	<b>337,716</b>
Collected by Interior, not deducted in Printed Budget: Interest on loans and advances ..	15,228	16,430	4,582	17,281
<b>Total Receipts .....</b>	<b>465,190</b>	<b>326,181</b>	<b>85,549</b>	<b>354,997</b>
<u>Net Difference</u>				
Appropriations compared with total receipts .....	236,119	336,739	111,383	437,408

Analysis of Permanent Positions, Fiscal Years 1975-1977  
Other than Reclamation and Power Marketing Agencies

Bureau or Office and Appropriation Title	Permanent Positions in 1977 Budget			Increase or Decrease (-)
	1975	1976	1977	
<u>LAND AND WATER RESOURCES</u>				
<u>Bureau of Land Management</u>				
Management of land and resources .....	4,064	4,107	4,344	237
Construction and maintenance .....	107	107	113	6
Public lands development roads and trails (Liquidation of C/A) .....	72	72	72	--
Oregon and California grant lands ....	609	758	758	--
Allocation to other agencies .....	-115	-115	-25	90
Net, Total .....	494	643	733	90
Recreation development and operation of recreation facilities .....	6	6	6	--
Range improvements .....	46	46	46	--
Other funds .....	212	220	220	--
Allocation to other agencies .....	-20	-20	-20	--
Net Total .....	192	200	200	--
Total, Bureau of Land Management ...	<u>4,981</u>	<u>5,181</u>	<u>5,514</u>	<u>333</u>
<u>Office of Water Research &amp; Technology</u>				
Salaries and expenses .....	68	70	70	--
TOTAL, LAND AND WATER RESOURCES .....	<u>5,049</u>	<u>5,251</u>	<u>5,584</u>	<u>333</u>
<u>FISH AND WILDLIFE AND PARKS</u>				
<u>Bureau of Outdoor Recreation</u>				
Salaries and expenses .....	223	223	221	-2
Land and Water Conservation Fund .....	781	758	736	-22
Allocations to other bureaus and agencies .....	-526	-522	-503	+19
Net, Total .....	255	236	233	-3
Subtotal .....	478	459	454	-5
Other funds .....	22	12	12	--
Total, Bureau of Outdoor Recreation	<u>500</u>	<u>471</u>	<u>466</u>	<u>-5</u>
<u>Fish and Wildlife Service</u>				
Resource management .....	3,564	3,708	3,652	-56
Construction and anadromous fish .....	36	36	36	--
Migratory bird conservation account ..	154	154	154	--
Subtotal .....	3,754	3,898	4,398	-76
Other funds .....	639	576	556	-20
Total, Fish and Wildlife Service ...	<u>4,393</u>	<u>4,474</u>	<u>4,398</u>	<u>-76</u>
<u>National Park Service</u>				
Operation of the National Park System	6,639	7,012	7,012	--
Planning and construction .....	362	322	322	--
Road construction (Liquidation of con- tract authority) .....	181	181	139	-42
Allocations to other agencies .....	-64	-64	-22	42
Net, Total .....	117	117	117	--
Preservation of historic properties ..	138	138	138	--
John F. Kennedy Center for the perform- ing Arts .....	83	80	80	--
Planning, development and operation of recreation facilities .....	140	138	138	--
Subtotal .....	7,479	7,807	7,807	--
Other funds .....	415	408	408	--
Total, National Park Service .....	<u>7,894</u>	<u>8,215</u>	<u>8,215</u>	<u>--</u>
TOTAL, FISH AND WILDLIFE AND PARKS .....	<u>12,787</u>	<u>13,160</u>	<u>13,079</u>	<u>-81</u>

## Analysis of Permanent Positions, Fiscal Years 1975-1977

Bureau or Office and Appropriation Title	Permanent Positions in 1977 Budget			
	1975	1976	1977	Increase or Decrease (-)
<u>ENERGY AND MINERALS</u>				
<u>Geological Survey</u>				
Surveys, investigations & research	6,790	7,036	7,414	378
Other funds .....	2,233	2,117	1,835	-282
Total, Geological Survey .....	9,023	9,153	9,249	96
<u>Bureau of Mines</u>				
Mines and minerals .....	2,481	2,541	2,541	--
Helium fund .....	264	264	264	--
Subtotal .....	2,745	2,805	2,805	--
Other funds .....	169	169	169	--
Total, Bureau of Mines .....	2,914	2,974	2,974	--
<u>Mining Enforcement &amp; Safety Admin.</u>				
Salaries and expenses .....	2,940	3,133	3,442	309
TOTAL, ENERGY AND MINERALS .....	14,877	15,260	15,665	405
<u>Bureau of Indian Affairs</u>				
Operation of Indian programs .....	13,332	13,115	12,893	-222
Construction .....	314	327	346	+19
Allocation to another bureau ...	-157	-157	-176	-19
Net, Total .....	157	170	170	--
Road construction (Liquidation of contract authority) .....	427	427	427	--
Allocation to other agencies ...	-17	-17	-17	--
Net, Total .....	410	410	410	--
Other funds .....	516	563	550	-13
Total, Bureau of Indian Affairs	14,415	14,258	14,023	-235
<u>Office of Territorial Affairs</u>				
Administration of Territories ...	12	15	15	--
Trust Territory of the Pacific Is.	160	148	140	-8
Subtotal .....	172	163	155	-8
Other funds .....	62	62	62	--
Total, Office of Territorial Affairs	234	225	217	-8
<u>SECRETARIAL OFFICES</u>				
<u>Office of the Solicitor</u>				
Salaries and expenses .....	429	452	442	-10
<u>Office of the Secretary</u>				
Salaries and expenses .....	701	675	675	--
Departmental operations .....	304	337	337	--
Subtotal .....	1,005	1,012	1,012	--
Other funds .....	376	407	407	--
Total, Office of the Secretary .	1,381	1,419	1,419	--
TOTAL, SECRETARIAL OFFICES .....	1,810	1,871	1,861	-10
GRAND TOTAL (Interior & Related Agencies only) .....				
	49,172	50,025	50,429	404

## Permanent Appropriations, Fiscal Years 1975, 1976, Transition Quarter, and 1977

Bureau or Office and Appropriation Title	1975 Actual	1976 Estimate	T.Q. Estimate	1977 Estimate
<u>LAND AND WATER RESOURCES</u>				
<u>Bureau of Land Management</u>				
Leasing of grazing lands .....	1,872	1,000	2,000	-0-
Payment to:				
Oklahoma (royalties).....	152	8,000	10,000	-0-
Coos and Douglas Counties, Oregon from receipts Coos Bay Wagon grant lands .....	917,516	1,250,000	-0-	1,700,000
Counties, Oregon & Calif. grant lands .....	57,789,348	49,348,000	56,000,000	17,500,000
States (proceeds of sales)....	814,964	1,045,000	1,300,000	300,000
States from grazing receipts, etc., public lands within grazing districts .....	755,754	595,000	853,000	25,000
States from grazing receipts, etc. public lands outside grazing districts .....	769,851	774,000	1,026,000	150,000
States from grazing receipts, etc., public lands within grazing districts miscellaneous .....	4,360	4,000	4,000	-0-
States from receipts under Mineral Leasing Act .....	117,150,685	126,114,000	85,830,000	106,735,000
Counties, national grasslands. Expenses, Public Land Administra- tion Act .....	279,671	261,000	-0-	390,000
	<u>1,310,395</u>	<u>1,500,000</u>	<u>375,000</u>	<u>1,500,000</u>
Total, Bureau of Land Management .....	<u>179,794,568</u>	<u>180,900,000</u>	<u>145,400,000</u>	<u>128,300,000</u>
<u>Bureau of Reclamation</u>				
Colorado River Dam Fund, Boulder Canyon Project:				
Payment of interest on advance from the Treasury .....	600,000	600,000	600,000	600,000
Payment to States of Arizona & Nevada .....	1,863,071	2,100,000	525,000	1,900,000
Operation, Maintenance and replacement of project works, North Platte project (Garing and Ft. Laramie, Goshen and Pathfinder Irrigation Districts) .....	11,277	20,000	2,000	30,000
Payments to Farmers' Irrigation Districts (North Platte project, Nebraska-Wyoming)..	8,000	8,000	2,000	8,000
Payments to local units, Klamath Reclamation Area .....	121,161	125,000	-0-	125,000

Bureau or Office and Appropriation Title	1975 Actual	1976 Estimate	T.Q. Estimate	1977 Estimate
<u>Bureau of Reclamation (Cont'd)</u>				
Refunds and returns .....	100,000	147,000	71,000	337,000
Total, Bureau of Reclamation.....	2,703,509	3,000,000	1,200,000	3,000,000
Total, Land and Water Resources..	182,498,077	183,900,000	146,600,000	131,300,000
<u>FISH AND WILDLIFE AND PARKS</u>				
<u>Fish and Wildlife Service</u>				
Migratory Bird Conservation account .....	7,511,832	12,000,000	800,000	12,000,000
Federal aid in fish restoration and mgmt.....	18,188,692	21,894,000	4,800,000	23,494,000
Federal aid in wildlife restoration.	56,854,672	63,047,000	13,900,000	66,447,000
National wildlife refuge fund.....	3,986,061	4,200,000	1,380,000	4,300,000
Proceeds from sales, water resources development projects .....	1,533	45,000	-0-	45,000
Total, Fish and Wildlife Service.	86,542,790	101,186,000	20,880,000	106,286,000
<u>National Park Service</u>				
Education expenses children of employees Yellowstone National Park .....	256,101	295,000	55,000	295,000
Payment for tax losses on land acquired for Grand Teton National Park .....	20,893	25,000	-0-	25,000
Operation, Management, Maintenance, and Demolition of Federal acquired properties.....	-0-	-0-	-0-	-0-
Independence National Historical Park .....	-0-	-0-	-0-	-0-
Total, National Park Service.....	276,994	320,000	55,000	320,000
Total, Fish and Wildlife and Parks .....	86,819,784	101,506,000	20,935,000	106,606,000
<u>ENERGY AND MINERALS</u>				
<u>Geological Survey</u>				
Payment from proceeds, sales of water .....	1,209	-0-	-0-	-0-
<u>Southeastern Power Administration</u>				
Continuing fund .....	108,056	-0-	-0-	-0-
Total, Energy and Minerals.....	109,265	-0-	-0-	-0-

Bureau or Office and Appropriation Title	1975 Actual	1976 Estimate	T.Q. Estimate	1977 Estimate
<u>Bureau of Indian Affairs</u>				
Alaska Native Fund.....	2,778,683	2,000,000	1,000,000	2,000,000
Claims and treaty obligations....	322,884	200,000	200,000	200,000
Acquisition of lands and loans to Indians in Oklahoma Act of June 26, 1936 .....	5,273	-0-	-0-	-0-
Operation and maintenance, Indian irrigation systems .....	7,520,342	6,850,000	1,540,000	6,850,000
Power systems, Indian irrigation projects .....	6,088,872	5,816,000	1,260,000	5,816,000
Indian Arts and Crafts Fund.....	3,750	-0-	-0-	-0-
<b>Total, Bureau of Indian Affairs .....</b>	<b>16,719,804</b>	<b>14,866,000</b>	<b>4,000,000</b>	<b>14,866,000</b>
<u>Territorial Affairs</u>				
Internal Revenue collections for Virgin Island .....	17,675,522	19,500,000	4,875,000	19,000,000
Office of Comptroller for Guam...	625,000	600,000	185,000	256,000
<b>Total, Territorial Affairs....</b>	<b>18,300,522</b>	<b>20,100,000</b>	<b>5,060,000</b>	<b>19,256,000</b>
<u>Office of the Secretary</u>				
Johnny Horizon Program .....	15,063	25,000	5,000	25,000
TOTAL, PERMANENT APPROPRIATIONS, DEPARTMENT OF THE INTERIOR OTHER THAN RECLAMATION AND POWER AGENCIES .....				
	301,650,950	317,397,000	175,400,000	269,053,000
TOTAL, RECLAMATION & POWER AGENCIES .....				
	2,811,565	3,000,000	1,200,000	3,000,000
GRAND TOTAL, DEPARTMENT OF THE INTERIOR .....				
	304,462,515	320,397,000	176,600,000	272,053,000

Annual Indefinite Appropriations, Fiscal Year 1975, 1976, Transition Quarter, and 1977

Bureau or Office and Appropriation Title	1975 Actual	1976 Estimate	T.Q. Estimate	1977 Estimate
<u>LAND AND WATER RESOURCES</u>				
<u>Bureau of Land Management</u>				
Oregon and California grant lands..	27,401,717	28,000,000	8,700,000	30,000,000
Range improvements.....	4,186,575	5,435,000	600,000	7,235,000
Recreation development and opera- tion of recreation facilities....	242,000	300,000	100,000	300,000
<b>Total, Bureau of Land Management.....</b>	<b>31,830,292</b>	<b>33,735,000</b>	<b>9,400,000</b>	<b>37,535,000</b>
<u>FISH AND WILDLIFE AND PARKS</u>				
National Park Service				
Planning, development and opera- tion of recreational facilities..	11,739,060	14,000,000	5,000,000	14,000,000
TOTAL, DEPARTMENT OF THE INTERIOR OTHER THAN RECLAMATION AND POWER AGENCIES .....				
	43,569,352	47,735,000	14,400,000	51,535,000

## Trust Funds, Fiscal Years 1975, 1976, Transition Quarter, and 1977

Bureau or Office and Appropriation Title	1975 Actual	1976 Estimate	T.Q. Estimate	1977 Estimate
<u>LAND AND WATER RESOURCES</u>				
<u>Bureau of Land Management</u>				
Contributed Funds .....	631,024	540,000	150,000	540,000
Expenses, public survey work .....	84,453	159,000	50,000	159,000
Trustee funds, Alaska Townsites ....	9,690	1,000	-0-	1,000
<b>Total, Bureau of Land Management..</b>	<b>725,167</b>	<b>700,000</b>	<b>200,000</b>	<b>700,000</b>
<u>Office of Water Research and Technology</u>				
Cooperation with foreign agencies, (liquidation of contract authority) .....	-7,261	-0-	-0-	-0-
<u>Bureau of Reclamation</u>				
Reclamation Trust Funds .....	2,921,507	12,285,000	4,380,000	29,000,000
<b>Total, Land and Water Resources Other Than Reclamation .....</b>	<b>717,906</b>	<b>700,000</b>	<b>200,000</b>	<b>700,000</b>
<b>Total, Land and Water Resources...</b>	<b>3,639,413</b>	<b>12,985,000</b>	<b>4,580,000</b>	<b>29,700,000</b>
<u>FISH AND WILDLIFE PARKS</u>				
<u>Fish and Wildlife Service</u>				
Contributed Funds.....	1,262,239	2,063,000	620,000	2,063,000
<u>National Park Service</u>				
Donations .....	1,702,918	2,997,000	749,000	2,997,000
Preservation, birthplace of Abraham Lincoln .....	2,540	3,000	1,000	3,000
Jefferson National Expansion Memorial contributions .....	-0-	-0-	-0-	-0-
Advances from District of Columbia.	-0-	-0-	-0-	-0-
<b>Total, National Park Service ....</b>	<b>1,705,458</b>	<b>3,000,000</b>	<b>750,000</b>	<b>3,000,000</b>
<b>Total, Fish and Wildlife and Parks .....</b>	<b>2,967,697</b>	<b>5,063,000</b>	<b>1,370,000</b>	<b>5,063,000</b>
<u>ENERGY AND MINERALS</u>				
<u>Bonneville Power Administration</u>				
Trust Fund .....	7,149,310	-0-	-0-	-0-
<u>Bureau of Mines</u>				
Contributed Funds .....	609,989	485,000	120,000	600,000

## Trust Funds, Fiscal Years 1975, 1976 Transition Quarter, and 1977

Bureau or Office and Appropriation Title	1975 Actual	1976 Estimate	T.Q. Estimate	1977 Estimate
<u>ENERGY AND MINERALS</u> (Cont'd)				
<u>Mining Enforcement and Safety</u>				
<u>Administration</u>				
Contributed Funds .....	184,549	-0-	-0-	-0-
Total, Energy and Minerals.....	7,943,848	485,000	120,000	600,000
Total, Energy and Minerals Other than Bonneville Power Administration .....				
	794,538	485,000	120,000	600,000
<u>Bureau of Indian Affairs</u>				
Alaska Native Fund .....	335,548	10,000,000	-0-	-0-
Tribal Funds .....	177,658,397	255,755,800	85,504,500	261,486,800
Miscellaneous:				
Indian moneys proceeds of labor, agencies, schools, etc. ....	6,408,431	5,200,000	1,300,000	5,200,000
Funds contributed for advance- ment of Indian Race .....	485,460	400,000	100,000	400,000
Request of George C. Edgeter, for relief of indigent Indians.	2,135	2,200	500	2,200
Total, Miscellaneous .....	6,896,026	5,602,200	1,400,500	5,602,200
Total, Bureau of Indian Affairs .....	184,889,971	271,358,000	86,905,000	267,089,000
TOTAL, DEPARTMENT OF THE INTERIOR OTHER THAN RECLAMATION AND POWER AGENCIES .....				
	189,370,112	277,606,000	88,595,000	273,452,000
TOTAL, RECLAMATION AND POWER AGENCIES .....				
	10,070,817	12,285,000	4,380,000	29,000,000
GRAND TOTAL, DEPARTMENT OF THE INTERIOR .....				
	199,440,929	289,891,000	92,975,000	302,452,000

PERMANENT BUDGET AUTHORITY, FY 1976,  
TRANSITION PERIOD, AND FY 1977

## FEDERAL FUNDS

Agency and item	New budget (Obligational) authority, 1976 and Transition Period	FY 1977 Estimates of new (Obliga- tional) authority
Department of the Interior - Indefinite:		
Payments to State and local governments:		
Payments to States (proceeds of sales)	1,045,000	300,000
Transition Period.....	1,300,000	--
Payments to States from grazing receipts, public lands .....	1,373,000	175,000
Transition Period .....	1,883,000	--
Coos Bay Wagon Road grant lands, pay- ments to Coos Bay and Douglas Counties, Oregon, in lieu of taxes ..	1,250,000	1,700,000
Transition period .....	--	--
Oregon and California grant lands, pay- ment to counties .....	49,348,000	17,500,000
Transition period .....	56,000,000	--
Mineral leasing, payment to States ...	126,114,000	106,735,000
Transition period .....	85,830,000	--
Payment to counties, national grass- lands, Bureau of Land Management ....	261,000	390,000
Transition period .....	--	--
Oklahoma, (royalties) .....	8,000	--
Transition period .....	10,000	--
Payment to counties under national wildlife refuge fund .....	2,400,000	3,300,000
Transition period .....	1,130,000	--
Educational expenses, children of employees, Yellowstone National Park	295,000	295,000
Transition period .....	55,000	--
Payments to State of Wyoming, in lieu of taxes on lands in Grand Teton NP, National Park Service .....	25,000	25,000
Transition period .....	--	--
Alaska Native Fund.....	2,000,000	2,000,000
Transition period.....	1,000,000	--
Claim and treaty obligations, Bureau of Indian Affairs .....	200,000	200,000
Transition period .....	200,000	--
Office of Comptroller for Guam .....	600,000	256,000
Transition period .....	185,000	--
Internal Revenue collections for Virgin Islands, Territorial Affairs .....	19,500,000	19,000,000
Transition period .....	4,875,000	--
Subtotal .....	204,419,000	151,876,000
Transition period .....	152,468,000	--

Agency and item	New budget (Obligational) authority 1976 and Transition Period	FY 1977 Estimates of new (Obliga- tional) authority
Receipts applied to operations:		
Leasing of grazing lands .....	1,000	--
Transition period .....	2,000	--
Expenses, Public Land Administration		
Act .....	1,500,000	1,500,000
Transition period .....	375,000	--
Migratory bird conservation fund .....	12,000,000	12,000,000
Transition period .....	800,000	--
Management of national wildlife refuges and enforcement activities .....	800,000	--
Transition period .....	--	--
Expenses, incident to sale of refuge products .....	1,000,000	1,000,000
Transition period .....	250,000	--
Proceeds from sales, water resources development projects .....	45,000	45,000
Transition period .....	--	--
Operations and maintenance revenue,		
Indian irrigation systems .....	6,850,000	6,850,000
Transition period .....	1,540,000	--
Power revenues, Indian irrigation projects .....	5,816,000	5,816,000
Transition period .....	1,260,000	--
Litter prevention and cleanup .....	25,000	25,000
Transition period .....	5,000	--
Subtotal .....	28,037,000	27,236,000
Transition period .....	4,232,000	--
Mixed receipts:		
Federal aid in fish restoration mgmt:		
Payments to States .....	20,234,000	21,834,000
Transition period .....	4,500,000	--
Applied to operations .....	1,660,000	1,660,000
Transition period .....	300,000	--
Federal aid in wildlife restoration:		
Payments to States .....	59,019,000	62,347,000
Transition period .....	13,000,000	--
Applied to operations .....	4,028,000	4,100,000
Transition period .....	900,000	--
Subtotal .....	84,941,000	89,941,000
Transition period .....	18,700,000	--

Agency and item	New budget (Obligational) authority 1976 and Transition Period	FY 1977 Estimates of new (Obliga- tional) authority
Contract authority:		
Land and Water Conservation, Bureau of Outdoor Recreation .....	30,000,000	30,000,000
Transition period .....	--	--
Helium fund, Bureau of Mines .....	--	47,500,000
Subtotal .....	<u>30,000,000</u>	<u>77,500,000</u>
Total, Department of the Interior	347,397,000	346,553,000
Transition period .....	<u>175,400,000</u>	<u>--</u>

## TRUST FUNDS

## Department of the Interior - Indefinite:

Deposits by individuals for surveying public lands .....	159,000	159,000
Transition period .....	50,000	--
Administration and protection of grazing districts .....	540,000	540,000
Transition period .....	150,000	--
Trustee funds, Alaska townsites, Bureau of Land Management .....	1,000	1,000
Transition period .....	--	--
Contributed funds, Fish and Wildlife Service .....	2,063,000	2,063,000
Transition period .....	620,000	--
Donations, National Park Service .....	2,997,000	2,997,000
Transition period .....	749,000	--
Birthplace of Abraham Lincoln, preserva- tion of, National Park Service .....	3,000	3,000
Transition period .....	1,000	--
Contributed funds, Bureau of Mines .....	485,000	600,000
Transition period .....	120,000	--
Indian moneys, proceeds of labor, agencies, schools, etc. ....	5,200,000	5,200,000
Transition period .....	1,300,000	--
Funds contributed for Indian projects ...	400,000	400,000
Transition period .....	100,000	--
Bequest of George C. Edgeter, relief of indigent Indians .....	2,200	2,200
Transition period .....	500	--
Miscellaneous trust funds of Indian tribes .....	221,555,800	223,099,800
Transition period .....	85,504,500	--
Alaska Native Fund .....	<u>10,000,000</u>	<u>--</u>
Total, Department of the Interior	243,406,000	235,065,000
Transition period .....	<u>88,595,000</u>	<u>--</u>

## SUMMARY

Appropriations for Research and Development by Activities  
Fiscal Years 1975-1976-1977 and Comparison 1976 vs. 1977

(In thousands of dollars)

Bureau and Appropriation	FY 1975 Actual	FY 1976 Estimated	FY 1977 Estimated	Increase or Decrease 1976 vs. 1977
<b>Bureau of Land Management</b>				
Management of land and resources .....	534	653	606	-47
Oregon and California Grant Lands .....	67	104	104	--
Subtotal, Bureau of Land Management .....	601	757	710	-47
<b>Office of Water Research and Technology</b>				
Salaries and Expenses:				
Assistance to States for Institutes .....	5,730	5,730	5,730	--
Matching grants to institutes .....	3,000	3,000	3,200	+200
Additional water resources research .....	3,970	4,763	4,450	-313
Technology development .....	3,864	1,490	5,500	+4,010
Scientific information center .....	940	986	1,100	+114
Administration .....	2,288	2,211	2,293	+82
Subtotal, Office of Water Res. & Tech. ..	19,792	18,180	22,273	+4,093
<b>Fish and Wildlife Service</b>				
Resource Management:				
Habitat preservation .....	3,954	3,699	3,778	+79
Wildlife resources .....	8,015	8,111	8,284	+173
Fishery resources .....	6,477	6,338	6,473	+135
Endangered species .....	2,928	3,482	3,557	+75
Construction and Anadromous Fish:				
Construction and rehabilitation .....	3,615	6,937	635	-6,302
Anadromous fish .....	350	350	350	--
Federal Aid in Fish Restoration & Management	150	130	180	+50
Federal Aid in Wildlife Restoration .....	50	100	100	--
Contributed Funds - (Trust Funds) .....	25	35	50	+15
Subtotal, Fish & Wildlife Service .....	25,564	29,182	23,407	-5,775

(In thousands of dollars)

	FY 1975 Actual	FY 1976 Estimated	FY 1977 Estimated	Increase or Decrease 1976 vs. 1977
<u>Bureau and Appropriation</u>				
Bureau of Outdoor Recreation				
Salaries and Expenses (Planning and Research) .....	20	20	20	--
<u>Geological Survey</u>				
Surveys, Investigations, and Research:				
Alaska pipeline related investigations ..	344	319	321	+2
Topographic surveys and mapping .....	1,586	1,700	1,800	+100
Geologic and mineral resource surveys and mapping .....	80,968	82,927	76,852	-6,075
Water resources investigations .....	18,289	19,370	20,715	+1,345
Conservation of lands and minerals .....	3,665	4,800	5,260	+460
Land information and analysis .....	9,625	9,941	10,659	+718
Subtotal, Geological Survey .....	114,477	119,057	115,607	-3,450
<u>Bureau of Mines</u>				
Mines and Minerals:				
Metallurgy .....	20,108	26,548	21,567	-4,981
Mining .....	89,697	102,357	107,130	+4,773
Engineering, evaluation & demonstration ..	5,761	7,286	3,855	-3,431
Subtotal, Bureau of Mines .....	115,566	136,191	132,552	-3,639
<u>Office of the Secretary</u>				
Salaries and expenses (Special Foreign Currency Program) .....	192	1,494	907	-587
Departmental Operations .....	1,683	721	744	+23
Subtotal, Office of the Secretary .....	1,875	2,215	1,651	-564
TOTAL, Department of the Interior except Reclamation & Power Marketing Bureaus	277,895	305,602	296,220	-9,382

## DEPARTMENTAL SUMMARY

Department of the Interior

Funding for Energy-Related Activities for the  
Fiscal Years 1975, 1976 and 1977  
(Obligations in thousands of dollars)

Category and Activities	F. Y. 1975	F. Y. 1976	F. Y. 1977	Increase (+) or Decrease (-)	
				1975 over '76	1976 over '76
<b>I. Energy Research and Appraisal</b>					
a. Outer Continental Shelf:	129,846	175,868	171,091		-4,777
* - Environmental Baseline Studies	34,846	55,238	58,835		+3,597
* - Geological Reconnaissance	(20,500)	(41,700)	(46,600)		(-4,900)
	(14,366)	(13,538)	(12,235)		(-1,303)
b. Onshore Oil and Gas	4,930	6,544	6,244		-300
c. Coal	54,631	73,918	76,238		+2,320
d. Geothermal	9,594	10,689	4,383		-6,306
e. Oil Shale	8,831	10,380	9,688		-692
f. Uranium/Thorium	8,558	9,588	10,893		+1,305
g. Transmission/Storage	4,418	5,957	1,533		-4,424
h. Other	4,018	3,554	3,277		-277
<b>Total</b>	<b>244,281</b>	<b>349,529</b>	<b>348,402</b>		<b>+20,873</b>
<b>II. Energy Lending</b>	<b>33,756</b>	<b>42,004</b>	<b>52,743</b>		<b>+10,739</b>
a. Outer Continental Shelf:					
* - Resource Classification	(13,165)	(15,697)	(22,230)		(-6,533)
* - Lease Administration	(20,611)	(26,307)	(30,513)		(-4,206)
b. Onshore Oil and Gas	9,861	11,925	20,179		+8,254
c. Coal	6,071	6,904	8,532		+1,628
d. Oil Shale	1,211	2,212	2,439		+227
e. Geothermal	3,382	4,284	4,309		+25
f. Uranium/Thorium	--	200	200		--
<b>Total</b>	<b>54,280</b>	<b>67,529</b>	<b>88,402</b>		<b>+20,873</b>
<b>III. Generation and Power Marketing</b>	<b>440,470</b>	<b>558,686</b>	<b>538,893</b>		<b>-19,793</b>
a. New Generation Construction	129,256	160,816	108,734		-52,082
b. Transmission Facilities Construction	146,662	189,089	195,272		+6,183
c. Operation and Maintenance	164,552	208,781	234,887		+26,106
<b>Total</b>	<b>440,470</b>	<b>558,686</b>	<b>538,893</b>		<b>-19,793</b>
<b>IV. All Other</b>	<b>27,032</b>	<b>33,440</b>	<b>36,360</b>		<b>+2,920</b>
a. Energy Data Collection	4,000	4,326	4,588		+262
b. General Energy Planning	5,239	5,367	5,367		--
c. Permit Administration	17,793	21,217	23,205		+1,988
* - Trans-Alaska Pipeline	(9,993)	(10,031)	(9,031)		(-1,000)
* - Arctic Gas Lines Analysis	(3,500)	(1,000)	--		(-1,000)
* - Other	(4,300)	(10,186)	(14,174)		(-3,988)
d. Environmental Impact Analysis	--	2,530	3,200		+670
<b>GRAND TOTAL, ENERGY FUNDING</b>	<b>651,629</b>	<b>835,523</b>	<b>834,746</b>		<b>-777</b>

## WELCOMING REMARKS

Senator BYRD. Mr. Secretary, we bid you welcome in your first appearance before this subcommittee. I beg your indulgence with my tardiness. The Senate had a roll call vote at 10 o'clock, the time at which this subcommittee was to have started the hearing. You have been kept waiting, but it was unavoidable, and I know that you will understand the situation.

You have taken on a tough and demanding job, as I am sure you have already learned. I have been following your activities since you became Interior Secretary, and you have already demonstrated that you will be a forceful and energetic advocate of the complex and often controversial programs that are so important to the management of our Nation's natural resources and to its Indian and territorial affairs. Before you give your opening statement I want you to know that this committee wishes you well in your new position.

Now, if you will be good enough to introduce your associates at the witness table, you may proceed with your statement. If you wish to highlight your remarks, the full prepared statement will be printed in the record.

## OPENING REMARKS OF SECRETARY KLEPPE

Secretary KLEPPE. Mr. Chairman, thank you very much for those introductory remarks and those comments, and most assuredly, we understand completely the demands of your time and the Senate's, and we are extremely happy to try to be as cooperative as we can.

I want to thank you for those personal observations and, again, I just want to reiterate that this Department and all facets of it, all phases of it, want to develop better communications than ever before with this committee, with Congress generally, and with the public sector, because we do deal in controversial areas and we are going to see if we can't close to some degree, the communications gap, so we stay out of court, if you please, and so we can get better answers.

## INTRODUCTION OF ASSOCIATES

Yes, Mr. Chairman, I would like to introduce these gentlemen with me at the table, and we have some others that maybe I would call on, because I don't know all the answers, and I think there are people here that certainly, if they don't know the answers, are going to get them for you as promptly as we can.

The gentleman on the left is James Clarke, Assistant Secretary for Management; Morris Thompson, Commissioner of Indian Affairs; H. Gregory Austin, Solicitor; Francis M. Wiles, Director of Budget; Nat Reed, Assistant Secretary for Fish and Wildlife and Parks.

The next gentleman is Roland Robinson. He is standing in today for Assistant Secretary Jack Horton, on Land and Water Resources; and Bill Fisher is our Acting Assistant Secretary for Energy and Minerals.

We have some more to call on if we need them.

I know the press of your time and I think I know how you generally feel about statements, and I normally like to highlight a statement, but because this is my first, and because I find it really difficult

to highlight the opening of these hearings, with your permission, I would like to read this statement. I profess to being a fast reader, and I will do all I can.

Senator BYRD. Go ahead. I am not a fast reader, but I listen fast.

#### STATEMENT OF SECRETARY KLEPPE

Secretary KLEPPE. Mr. Chairman: Thank you for this opportunity to discuss the Department of the Interior's fiscal year 1977 budget request. As you know, this is my first appearance before this committee in support of the Department's annual budget. I am aware that in past years the Department has received extensive support from this committee in the consideration of our budget and I look forward to working with you in a joint effort to assure that our Nation's resources are protected and utilized wisely and that the welfare of our Indian and Territorial peoples remains a high priority.

Our fiscal year 1977 budget request for the Interior and Related Agencies Appropriation bill totals \$2.553 billion, a decrease of \$5 million below the comparable level for 1976. In keeping with the President's objective to hold down Federal spending we have endeavored to place emphasis on the programs we feel are most important to the Nation at this time. Within the total, significant increases are included for:

- Improved mineral lease management and environmental studies related to energy development;

- Grants to implement the new Indian self-determination grant authority;

- Mine safety enforcement and training; and

- Operating the National Park System.

Increases have also been proposed for many other important programs included in the Interior bill, such as endangered species operations, range improvements, water reuse research, coal mining research, and Indian loan guarantees. The increases have largely been offset by reduction in the rate of new construction, reduction in historic preservation and endangered species grants, and schedules reductions in payments to the Alaska Native Fund.

#### LAND AND WATER RESOURCES

The appropriation request for Land and Water Resources activities totals \$283 million. Of this amount, the request for the Bureau of Land Management is \$261 million, an increase of \$23 million over 1976. This increase is generally spread across bureau programs to more fully provide the balanced management abilities recognized by the Congress last year. Major changes are:

- Increases in energy and minerals management programs of \$13 million for a total of about \$104 million; and

- Increases of about \$10 million in other programs such as range improvements, recreation management, liquidation of road construction contracts, cadastral surveys in Alaska, and maintenance.

The energy leasing program of the Department, funded primarily in the Bureau of Land Management and the Geological Survey, is a major factor in national energy production. Altogether, in 1977 these leases are expected to account for:

- 18 percent of domestic oil production;
- 29 percent of domestic gas production; and
- 12 percent of domestic coal production.

Oil production on Federal leases has been declining but has continued to be about 18 percent of domestic production over the past 5 years due to the overall decline in domestic oil production. Gas production on Federal lands has been increasing steadily, partially offsetting declining gas production on private lands. Coal production from existing leases on Federal lands is increasing rapidly and is projected at about 78 million tons in 1977—nearly twice the 1975 level. It will probably accelerate further over the next few years as the new Federal coal leasing policy which I announced January 26, begins to result in new leases. That policy adopts a new coal leasing process and will provide for strict standards for environmental protection and timely development. The budget did not forecast issuing new Federal coal leases and may require amendment sometime in the future.

#### OIL AND GAS LEASING PROGRAM

The largest single item in the BLM energy budget is the oil and gas leasing program. The fiscal year 1977 budget anticipates continuation of Outer Continental Shelf oil and gas leasing at the accelerated rate previously announced as well as for expansion of onshore oil and gas lease activity. Our OCS schedule contemplates leasing by 1978 in all frontier areas which have potential for the discovery and development of new domestic oil and gas resources. To meet this objective we are considering six areas for lease each calendar year through 1978; nine of these potential sales occur during fiscal year 1977. In conjunction with accelerated OCS leasing, 15 major environmental baseline and monitoring studies will be underway in frontier areas.

The BLM budget also provides increases for the rapidly accelerating environmental analysis workload in processing right-of-way applications for private energy developments and the increasing workload in nonenergy minerals programs.

#### OFFICE OF WATER RESEARCH AND TECHNOLOGY

We are requesting an appropriation of \$22.3 million for the Office of Water Research and Technology, an increase of \$4 million over 1976. \$3.7 million of the increase is for a research and development program for water reuse in the areas of municipal, industrial, irrigation and other waste water. The development of technology applicable to waste water treatment is an important segment to the management of our water resources and could lead to an overall reduction in the demand for new supplies of water. Other highlights of the Office of Water Research and Technology's budget include:

- Over \$9 million for water research grants and contracts;
- \$5.7 million for continuing grants to State and university water research institutes.

We will be concentrating saline and brackish water facility testing at Yuma, Ariz., in connection with the construction of a 100 million gallon per day brackish water conversion facility which is being funded

in the Bureau of Reclamation. This will mean concluding operations at Wrightsville Beach, N.C., Roswell, N. Mex., and Fountain Valley, Calif.

#### 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 \$791 million.

The full annual funding amount of \$300 million is proposed for the Land and Water Conservation Fund which is administered by the Bureau of Outdoor Recreation. This proposal would provide:

- \$175.5 million for matching grants to States for outdoor recreation planning, land acquisition and facilities development.

- \$117.8 million for Federal land acquisition, including \$77.3 million for National Parks; \$30.0 million for National Forests; \$8.3 million for Wildlife Refuges, and \$2.0 million for National Rivers and Trails administered by the Bureau of Land Management.

Line item funding is provided for acquisition at 43 important areas including Big Thicket and Big Cypress, Voyageurs, Cuyahoga Valley, Sleeping Bear Dunes, Sawtooth, Rogue River, Lower St. Croix, and the Appalachian Trail.

#### NATIONAL PARK SERVICE

Appropriations requested for the National Park Service total \$356 million including:

- \$273 million for Operating the National Park System;

- \$33 million for Planning and Construction; and

- \$10 million for preservation of historic properties grants.

The request provides for increases in park operations and facility construction, offset by reductions in road construction, historic preservation grants and Bicentennial special events.

The operating increases provided for the National Park Service will improve resource protection and interpretation programs, and maintenance levels throughout the National Parks and upgrade our concessions management operation. Proposed funding for park operations is up 114 percent over five years ago. In contrast to the general trend, park facilities construction is proposed to increase—primarily to upgrade water and sewage systems and protect historic resources.

#### FISH AND WILDLIFE SERVICE

The appropriation request for the Fish and Wildlife Service for 1977 is \$130 million. This represents a decrease of \$16 million below 1976 and is made up of a \$2.2 million increase in their Resource Management account offset by decreases totaling \$18.5 million in construction and in the Migratory Bird Conservation account. While no "advance" appropriations are requested for the Migratory Bird Conservation account, an estimated \$12 million will be available from receipts for the purchase of wetlands.

Operating increases proposed for the Fish and Wildlife Service would improve protection for endangered species, initiate a National Wetlands inventory, and expand out knowledge of fish and wildlife

management and protection requirements. The higher level of funding for refuge management provided by Congress in fiscal year 1976 is proposed for continuation in 1977.

Senator BYRD. There is a roll call vote in the Senate. I will have to interrupt your statement and I shall be able to get back, hopefully, within 10 or 12 minutes.

[A brief recess was taken.]

Senator BYRD. The subcommittee will resume. Please proceed, Mr. Secretary.

#### GEOLOGICAL SURVEY

Secretary KLEPPE. The appropriation request for our geologic, minerals resource and mine safety programs total \$529 million, an increase of \$16 million over 1976.

Well over half of this amount, \$284 million, is for the Geological Survey. Appropriations proposed for the Geological Survey are up about \$12 million net, but include a substantial redirection from traditional activities such as standard quadrangle mapping, regional geologic mapping, general hydrologic investigations and offshore geologic reconnaissance to more urgent work such as:

- Intermediate scale mapping of areas requiring current planning data;
- Improving the National Cartographic Information Center;
- Water resource studies of potential coal and oil shale mining areas and nuclear waste disposal;
- Low sulfur coal resource studies in Appalachia and the Western States;
- Uranium and thorium resource assessment; and
- Environmental studies of geologic hazards and processes related to nuclear and other energy development.

#### CONSERVATION DIVISION

An increase of over \$18 million for a total of \$63 million is proposed for the mineral resource evaluation and lease regulation operations of the Geologic Survey's Conservation Division. The principal factors in this expansion are:

- Tract selection workload for OCS lease sales will increase substantially to select tracts with high resource potential and assure that the Government receives a fair return for use of its resources;
- Additional staffing will be required to regulate operations in OCS areas being considered for leasing during the next several years;
- An inventory of OCS oil and gas reserves will be initiated;
- Increases in onshore oil and gas leasing activities are proposed to keep pace with the increasing workload, as well as to improve the quality of lease management in every facet of lease operations, including exploration, development, production, storage, receipt of fair market value, and diligent development of Federal oil and gas reserves; and
- Additional funding also is proposed to keep pace with expanded coal production from existing leases on Federal and Indian lands.

These increases will be partially offset by decreases in programs for more general geologic reconnaissance and examination of geothermal and OCS resources.

#### BUREAU OF MINES

The appropriation request for the Bureau of Mines is \$155 million, a net decrease of \$4.5 million below the 1976 level of funding.

We have programmed an increase of just over \$5 million for coal mining research, a very high priority item if this Nation is to progress toward its goals of energy independence. This \$5 million increase, however, is more than offset by decreases caused by completion of projects which were nonrecurring in nature including construction funding to test the Bureau of Mines stack gas desulfurization process.

This budget for the Bureau of Mines reflects a high priority on expanding coal extraction and coal preparation technology to increase productivity and production in coal mining, while furthering the Nation's conservation and environmental aims.

Other continuing Bureau of Mines programs stress:

- Health and safety research to improve on-the-job protection for mine workers;

- Minerals processing technology research;

- Minerals data collection and analysis activities—this important function must be continued because the entire Nation—governmental and private sector—makes program decisions upon the data base accumulated in Bureau of Mines.

#### MINING ENFORCEMENT AND SAFETY ADMINISTRATION

The fiscal year 1977 budget request for MESA, increased from \$83 million to \$90 million, reflects our determination to improve the working environment for this Nation's miners.

Since 1973, the number of coal mines has increased more than 55 percent—from 3,117 to 4,941—and each one of these mines, new and old, require inspection services as mandated by the Federal Coal Mine Health and Safety Act. One hundred and sixty-two employees are proposed to be added for enforcement of health and safety regulations and to save lives by preventing accidents.

We are not directing our increased efforts for mining health and safety solely to the coal mining field. In metal and non-metal mines, we are hoping to improve the working environment for our miners with a new program aimed at "high rate" health and accident hazard mines. Sixty-four additional personnel are proposed to provide regular inspection services to these problem areas.

Fiscal year 1977 will mark the opening of the Nation's first academic institution devoted solely to furthering mine health and safety. The National Mine Health and Safety Academy, located in Beckley, W. Va., will train people in mine health and safety. It will have a \$4.4 million annual budget, and an average enrollment of 400 students. It marks a great step forward in preventing accidents, in saving lives, and in improving the health and safety of the miner.

Senator BYRD. We look forward to your being down there when we dedicate the opening of that.

Secretary KLEPPE. When is that going to be?

Senator BYRD. About the middle of the year, I believe. But earlier, if we can arrange it.

I want you to know that Beckley is in the center of the world and you can go anywhere you want to go from Beckley. Half the world is on one side and half on the other.

Secretary KLEPPE. I expect I may receive an invitation to that and if I do I would like to go. Are you going to be there?

Senator BYRD. I surely will.

Secretary KLEPPE. I will try to be there.

Senator BYRD. That is one great facility and we feel it is going to be a tremendous asset to the Nation. It is a national academy, as you point out.

Secretary KLEPPE. I think its mission is in the right direction and that is why I wanted to make some statement about it. Because we do feel that way, that it is a real step in the right direction.

#### BUREAU OF INDIAN AFFAIRS

The 1977 request for the Bureau of Indian Affairs totals \$798 million which is a decrease of \$13 million from 1976. Although in total the request is down from 1976, increases are included for most Indian programs except in the case of facilities construction, the Alaska Native Fund and the Revolving Loan Fund.

The Alaska Native Fund request is \$30 million and is in accordance with the schedule set forth in the Alaska Native Claims Settlement Act. The amounts appropriated for fiscal year 1976 and the transition quarter were \$70 and \$40 million respectively. In construction, the request for new project funding is some \$33 million below 1976. New funding is proposed for four needed Indian schools in Alaska and New Mexico and \$22 million is proposed to keep the Navajo irrigation project on schedule.

I am pleased to inform you that the regulations to implement the Indian self-determination program are now in effect and all preliminary indications are that interest on the part of most tribes is very high. The 1977 budget includes \$32.9 million for this purpose and will enable tribes to strengthen their local governments and take advantage of the opportunity to plan and contract for the operation of Federal programs for their benefit.

Other highlights for the BIA budget are:

- Continuation of the Indian Action Team program at the 1976 level.
- \$24.3 million for law enforcement programs.
- An increase of \$2.7 million for trust responsibilities with primary emphasis on protecting Indian water and property rights.
- \$88.7 million for development of tribal resources with major efforts directed to increasing opportunities for Indian employment and intensifying development and utilization of natural resources.
- \$20.0 million for the Loan Guaranty and Insurance Fund.
- \$69.1 million for reservation road construction.

#### TERRITORIAL AFFAIRS

The appropriation request for Territorial activities is \$104 million, a decrease of about \$8 million from 1976. Most of the decrease

stems from completed funding in 1976 of the amount authorized to pay Micronesian war claims, and one-time funding in 1976 of a \$3.0 million ex-gratia payment to the residents of Bikini Atoll and \$1.5 million to aid in the transition of the Northern Marianas to Commonwealth status. Principal items included in the 1977 request are:

—\$82 million for the Trust Territory of the Pacific Islands.

—\$22 million for American Samoa and the Guam economic development fund.

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

Thank you very much for your patience in letting me read this statement.

#### SPENDING RESTRAINT

Senator BYRD. Thank you, Mr. Secretary. It is indeed a very fine statement.

Mr. Secretary, you pointed out that the Interior Department's appropriations request in this bill involves a slight reduction. Even with adjustments to make the comparisons more valid there is very little program increase overall.

Of course, there are intense pressures on our natural resources. How do you justify this proposed spending restraint?

Secretary KLEPPE. Mr. Chairman, you touched on the important thing. We believe overall from the standpoint of our programs and our ability to administer and execute the authorities given to us, that we are in good shape on this budget. I say that because we have had some reductions that were nonrecurring items.

For example, the Alaskan Native Claims Act, which gives an overall reduction in the BIA budget, but that is programmed by Congress and that is a nonrecurring scheduled payment.

We have got some other items that brought about costs that were nonrecurring. On balance I think we have covered the areas where we have increases and we believe we can function.

You will recall there is nothing in the budget for an increase in the coal leasing program, for example. If that comes about and we are going to need money, we are going to have to ask for a supplemental.

As you are familiar with the Land and Water Conservation Fund, full funding for that is included in the budget and we are going to get some extra people in the Park Service. Other than that we have the same people. The same levels we had a year ago. We believe we can function.

The pressures are there, but we recognize the pressures of the budget, too.

Senator BYRD. Before I proceed with my questions Senator Stevens, the ranking member of the subcommittee and my friend, is here. Perhaps he would like to comment on your statement before we proceed further.

#### REVENUES GENERATED BY AGENCIES IN BILL

Senator STEVENS. Thank you very much.

I, too, have some questions and I would like to submit them to the Secretary for response after his response to yours.

I am interested, also, in what the Chairman asked you, Mr. Secretary. I do believe that we have some real constraints in terms of our budget process again this year, but this is the budget that returns a great deal more to the Treasury than is expended.

It would be wise, I think, if we could put that in the record at the very beginning of our hearing.

My memory is that your activities return about fourfold to the Treasury in terms of the expenditures and receipts. In view of the inflationary spiral and the demands for making wise expenditures in the area where there are returns to the Treasury, not only this year but in the future, and where there is a necessity for increased funding such as the National Park Service, for instance, are you satisfied that the constraints are validly applied to the Interior Department this year?

Secretary KLEPPE. First of all, Senator Stevens, I got into this budget situation late. As you know, I got to the Department the 17th of October and a great deal had been done, I am sure you know, about this budget. So I got in on the part of it that dealt with the appeals, first of all to OMB, and second the appeals to the President. We won some, we lost some, but we won most. We appealed basically on those items that we thought we were being short-changed, very honestly along the lines of the comments you just made, and the President agreed, and we got them restored.

Sure, we can always come and say we have to have more, we need more. But on balance I do believe that we are in shape to move, to exercise our administrative responsibilities, and I don't think that you can put a direct relationship, Senator, on the size of our budget vis-a-vis our total income. I think that we can perform our duties and keep that end of the bargain.

Senator STEVENS. I think of things such as the return from the OCS. That is included in this budget, as far as estimates are concerned.

Secretary KLEPPE. Yes; \$6 billion.

Senator STEVENS. It appeared to me that the amounts being programmed for your use in that area were less than before.

Secretary KLEPPE. Well, we have enough money to do what we think we have to do. We believe we are all right. If we are not, you are going to hear from us, I assure you, but we believe we are all right.

Senator STEVENS. I hope so, Mr. Secretary. I have the firm feeling that many of the reactions we are getting from the country are because there is not enough front end money for energy development. People think they can go at it and produce it in a cheap fashion. There is no short cut as far as offshore oil and coal development are concerned.

I think the same thing exists under the acquisition of lands for migratory birds. I see there is not advance appropriation allowed in this one for wetlands acquisition.

## ENERGY APPRAISAL

Secretary KLEPPE. Let me comment about the front end money about OCS and any other coal development that might take place. That is going to be a separate budget. There is none of that covered in this budget.

However, the President has recognized the need for such funds and there are negotiations taking place between the Administration and the Hill, and it is likely that there will be legislation submitted providing for a proposal for front-end assistance to those communities that are impacted, so you are right on that score.

Insofar as advance appropriations for wetlands acquisition is concerned, Nat, would you make a comment on this? We have money available from receipts that they can use, but I would rather have Nat Reed comment on this, if he would.

## WETLANDS ACQUISITION

Mr. REED. The Senator is right. We had to make a decision on that on a priority basis, Senator Stevens. The legislation extending the advance authorization for wetlands acquisition passed in the House, but has not passed the Senate. The authority expired in fiscal 1976, and we are relying on the duck stamp for the entire acquisition program, which means that the hunters pay for the entire refuge acquisition program. That is one that has been under—1 year it is funded, 1 year it is not funded. In the restraints that were applied across the budget this year that is one I was asked not to go for.

## TRANSPORTATION OF GAS FROM PRUDHOE BAY

Senator STEVENS. Thank you very much. I have just been called to another committee. I would like to ask two questions, if I may.

One, I think you are prepared to ask, too, and that is the question about the status of the Interior Department's role in the transportation of gas from Prudhoe Bay. I know that Assistant Secretary Carlson announced a study, but is there anything further we can expect from Interior on this matter this year?

Secretary KLEPPE. Yes; I think the answer to that would be yes, because, as you know, we have an application from the so-called Trans-Canada route, which is the Arctic gas route. We do not have an application from the so-called Trans-Alaska route, which is the El Paso route. The Federal Power Commission has applications from both.

We have been preparing an environmental impact statement on the proposed Trans-Canada route. When that is all done, we will be in a position then to make some determinations about the feasibility, the prospects of this entire issue.

But I do believe that we also have to take a look at the environmental problems, the impact as it were, on the other route as well. We probably will be in a position to give some answers, but I do not believe that it will be finally settled this year, and I don't think it should be.

My own judgment is that Congress and the President ought to share jointly in choosing this route when all of the information is available. I don't believe, frankly, that the Dominion of Canada is

going to be ready for their part of their input into the proposed Trans-Canada route until sometime in 1977. That's my own guess.

Senator STEVENS. We just returned from a conference with the Canadian Parliament and I believe that is the case, too.  
Secretary KLEPPE. Did they agree with that?

#### ALASKA NATIVE CLAIMS SETTLEMENT ACT AMENDMENTS

Senator STEVENS. Yes; I think that is correct. They see no time frame for a decision this year.

We passed, and the President signed on January 2 an amendment to the Alaskan Native Claims Act, an omnibus amendment. I have written to the Chairman and asked him to consider funding the authorizations in that bill, and I know that that bill became law after this budget was formulated.

Can we anticipate that Interior will take the initiative and request budget clearance of sufficient money to meet the minimum requirements of that act in this budget?

Secretary KLEPPE. How much were those minimum requirements?

Mr. THOMPSON. We have currently being developed within our bureau, not before the Department yet, some estimates to implement both the enrollment provisions, the advance payment to the cities' provisions. I am fairly confident that next week we are having some people down from our Alaskan office. At the conclusion of that week we will be prepared to go forward to the Department with some recommendations to implement the legislation.

Senator STEVENS. I am glad to hear that, Mr. Commissioner.

The problem is that we have a new time frame on our action on this bill and it is going to make it extremely difficult if the Office of Management and Budget, does not clear whatever you feel you can request. We may be in a position where we feel that the request is not sufficient. It is somewhere in excess of \$2 million in terms of direct payments, plus the monies you need for the enrollment process, and I think those are of primary concern to us, to make certain we get whatever we can as quickly as possible.

Secretary KLEPPE. Are you satisfied with that answer at this time?

Senator STEVENS. I am satisfied, but I am not sure the Office of Management and Budget is going to have the urgency unless you back up my good friend.

Secretary KLEPPE. I am not sure either. I don't like to make a commitment here without knowing all the background of all this even though I am glad to hear the recommendation that is going to be forthcoming.

Senator STEVENS. It would be improper for us to ask for a commitment, except that I hope you will assist us in obtaining estimates within our new time frame. Because when Congress passes a bill after this budget process has gone through it is incumbent upon the Executive Branch to review that law, particularly when it calls for immediate action.

Secretary KLEPPE. We will look at it in that framework.

Senator STEVENS. Thank you. I appreciate your indulgence.

#### CONSTRUCTION REDUCTIONS

Senator BYRD. Thank you, Senator Stevens.

One of the major reductions in Interior programs outside the Bureau of Reclamation is in construction. This is apparently to offset the construction increase under Reclamation. Construction slowdowns are most noticeable in the Fish and Wildlife Service, National Park Service and Bureau of Indian Affairs.

Has the Department assessed the impact of the construction cutback in terms of needed facilities and roads and in terms of rising construction costs?

Secretary KLEPPE. Mr. Chairman, if I could just make a general comment, and then I would like to call on Assistant Secretary Reed and then on Commissioner Thompson, if I could.

We believe that with the stringent requirements put on us, on the budget, that really the easiest and least painful items to postpone would be construction, basically new construction, and hence the reason for the reduction in the construction accounts.

As we get to some specifics, the only place really that we don't have any new starts provided for is in the Bureau of Reclamation. We are performing some construction in other areas and more specifically I would like to call on these gentlemen for their comments.

Nat, would you comment first on this?

Mr. REED. Again, on the priority of overall budgetary restraints, there are substantial reductions in construction for the Fish and Wildlife Service and in road construction for the National Park Service. In the National Park Service there is an increase in Planning and Construction, from \$27 million in 1976 to \$33 million in 1977. But National Park Service road construction went from a level of \$40 million in 1976 to \$18 million in 1977. Fish and Wildlife Service went from a \$17.7 million construction appropriation in 1976 to a \$6.7 million request in 1977.

The Fish and Wildlife Service construction program singles around principally hatchery construction and rehabilitation of refuge and laboratory facilities. The key Green Lake Atlantic Salmon Hatchery is the one specific project in the budget at \$1.6 million for the Fish and Wildlife Service.

Secretary KLEPPE. Morris, would you comment on the Indian construction, please?

Mr. THOMPSON. In the 1977 budget we do have a reduction in construction activity in the Bureau of Indian Affairs. We do, however, have sufficient monies programmed for 1977 to meet emergency construction needs, primarily relating to classrooms.

In attempting to decrease Federal outlays, this is one area, as the Secretary pointed out, that he felt we could take the reductions and still continue our programs. We have no reductions in our road programs and, indeed, an increase of about \$1 million.

#### JOBS

Senator STEVENS. As just mentioned, your budget calls for large reductions in construction-related activities for the Park Service, BIA, and Fish and Wildlife Service. In your opinion, what effect would funding of these programs at the 'Current Services' level have on the short-term employment picture?

Secretary KLEPPE. If the construction programs were continued at the 1976 dollar level we estimate an additional 800 jobs would be created.

#### WILDLIFE AND PARKS

Senator BYRD. Let's examine on the Department's budget estimates for fish, wildlife, and parks, Mr. Secretary. I think the committee shares your satisfaction over the full funding obtained for the Land and Water Conservation Fund—something I think you deserve credit for getting—and for National Park Service operating increases, reflecting this committee's own strong recommendations. However, wildlife and park funding is down overall, and I think we can anticipate trouble over some of the reductions that are proposed.

Aside from budget restraints, which we all recognize are needed, would you like to comment further on why certain program reductions were selected?

Secretary KLEPPE. Yes, sir, Mr. Chairman, we are pleased to continue the Land and Water Conservation Fund at the \$300 million level. That program has two significant parts. Approximately 60 percent will be available for assistance to the 50 States, the District of Columbia, Puerto Rico, Virgin Islands, Guam and American Samoa for acquiring land and water areas and developing them for outdoor recreation purposes. The States match the Federal dollars and the program serves a well established need.

Approximately 40 percent is the only source of the land acquisition programs of the National Park Service and a principal source for the Forest Service and the Fish and Wildlife Service.

These two programs have been most effective and beneficial in the initial 10 years and, among other accomplishments, I am proud to say that I consider its real worth to be reflected in the contribution these recreation resources make toward improving the quality of life for present and future generations of Americans of all ages and backgrounds.

With regard to the budgets of the National Park Service and the Fish and Wildlife Service, we gave top priority to operational needs and as a result deferred to later years some capital improvement items, curtailed certain programs such as the historic preservation and endangered species grant programs. These are still high-priority programs but I support the President's objective to hold down the total budget and we were not able to provide for them. In the case of endangered species grants, there are other Federal-State assistance programs, such as the Dingell-Johnson and Pittman-Robertson Federal aid programs, that probably can accommodate the priority endangered species needs.

#### HISTORIC PRESERVATION GRANTS

Senator BYRD. The historic preservation grants program of the Park Service has a large and vocal constituency. Tell us how you plan to explain the \$10 million cut in this program to that group.

Secretary KLEPPE. Mr. Chairman, the decision to reduce the historic preservation grants program by \$10 million was due to the Service's need to move ahead on other critically needed projects and to substan-

tially increase their operating budget. Several projects dealing with the correction of deficiencies in sewage treatment facilities have to be undertaken. The need is so critical that the Service faces violation of Environmental Protection Agency regulations. Within the funding level allowed, it is not possible to accommodate a higher level of funding for the grants program and still take care of these urgently needed projects. It is simply a case of determining your highest priority needs.

#### STATUS OF NATIONAL VISITOR CENTER

Senator BYRD. Mr. Secretary, I don't know if you have had time to familiarize yourself with the National Visitor Center project. It has a sad, confused, and expensive history, and now your budget is asking for substantial funding increases for it. Can you or one of your colleagues bring the committee up to date on this project and tell us where it is hopefully going?

Secretary KLEPPE. As of February, construction on the visitor center itself is 40 percent complete and the parking garage is approximately 45 percent complete. The four-level parking structure, which will accommodate 1,200 cars, will be available for use in July. Installation of the exhibits in the National Visitor Center will begin in March and continue until May. The exterior cleaning is 95 percent complete.

On the interior of the building, the domes have been painted and the carpet ordered. The railroad ticket offices will move in late May and the concessions will move into the west hall in June. I understand all remaining work orders will be awarded by the end of February. The dedication ceremony for the National Visitor Center is scheduled for July 4, 1976.

#### NPS CONSTRUCTION PROGRAM

Senator STEVENS. What accounts for the decrease in the Park Service's planning and development program from \$68 million to \$52 million?

Secretary KLEPPE. I think we have to take into account the overall fiscal climate in which we prepared this budget. Federal spending must be controlled if we are to have full restoration of a stable national economy. Decreases in certain funding levels are inevitable. In the case of the National Park Service, the decision was made in favor of increasing operating programs with offsetting decreases in the road construction program and certain planning programs. Again, it is a question of priorities.

Senator STEVENS. There are drastic decreases in the National Park Service construction program—\$110 million to \$41 million. Please explain these cuts.

Secretary KLEPPE. Mr. Chairman, part of this decrease is due to the need to adhere to the austere spending levels set for the Department. Within the confines of these levels, the Service has determined that the fiscal 1977 budget places special emphasis on operating programs. I would like to point out that the \$110 million level in fiscal 1976 included unobligated carryover from 1975.

## ADEQUACY OF NPS BUDGET

Senator STEVENS. In your opinion, is the budget for the Park Service adequate to reverse the decline in the national park system in recent years? What do you feel has been the major reason for this decline?

Secretary KLEPPE. I think the \$21 million increase requested for park operating programs is certainly a start in the right direction. I believe this increase coupled with close attention to improving management efficiency will go a long way in reversing this trend. Realistically speaking though, I think it is going to take more than one budget year to reverse a trend that has been developing over a 10-15 year period.

The reason for this decline is attributed to three main factors: The tremendous growth in the number of new areas added to the system; the continual increase in visitation; and the additional responsibilities legislated, such as the National Environmental Policy Act, the Historic Preservation Act, and others which have placed added funding demands upon the Service.

## WETLANDS ACQUISITION

Senator STEVENS. In your opinion, does the policy of no advance appropriations for the Migratory Bird Conservation Account in effect allow cost escalations to preclude future acquisition of wetlands that could be acquired now at reasonable prices if more funds were available?

Secretary KLEPPE. The answer to your question is a qualified "Yes." As a general rule, when land prices are not increasing rapidly as is the case at present, deferral of advance appropriations authorized by the Wetlands Loan Act such as that necessitated under current fiscal conditions, does not preclude future acquisition of wetlands. Consequently, the principal effect of a 1-year delay is a modest increase in cost. On the other hand, if this deferral were continued over a longer term, the cumulative impact would be, in effect to preclude acquisition of some wetlands due to high land costs. Of even greater concern than the effect of land price increases, however, is that even a 1-year delay substantially increases the likelihood that the land scheduled for acquisition, the most important and vulnerable waterfowl habitat, will be lost due to irreversible conversion to non-compatible uses.

## POSSIBLE BUDGET AMENDMENTS

Senator BYRD. Is the Department considering any budget amendments at this time to meet requirements of new program authorizations?

Secretary KLEPPE. Not right at this moment, Mr. Chairman.

Senator BYRD. I am thinking of such authorizations as the Alaska Native Claims Settlement Act amendments and the wetlands acquisition legislation, mentioned a moment ago by Senator Stevens, that is about to pass. If there is such, would you submit it for the record?

Secretary KLEPPE. We certainly will, but I don't think we are.

Mr. WILES. The Alaska Native Claims was the one Commissioner Thompson was talking about. They are considering it now.

[The information follows:]

The Bureau of Indian Affairs is presently considering a budget amendment to fund the amendments to the Alaska Native Claims Settlement Act. Until authorizing legislation is enacted, such as the wetlands acquisition legislation, the Department would not have a budget amendment under active consideration.

#### DEPARTMENTAL EMPLOYMENT

Senator BYRD. As to your overall employment in the Department, what does your budget show? Are you going up or down?

Secretary KLEPPE. We are going to stay the same except for an additional 400 people for the Park Service, which has been given to us as a ceiling for the balance of 1976 because of the Bicentennial activities, and we will retain those 400 into the 1977 budget, and they are so provided for in here.

Other than that we have had to make a few adjustments within the various Departments and Bureaus, but our total overall ceiling is the same except for those 400.

Senator BYRD. After the year, fiscal year 1977, will those 400 slots be dropped?

Secretary KLEPPE. No; we are hoping to retain them.

Senator BYRD. Permanently?

Secretary KLEPPE. Yes.

#### FISH AND WILDLIFE SERVICE PERSONNEL

Senator BYRD. Although the budget responds to this committee's intent for increased Park Service operations and personnel, the Fish and Wildlife Service does not appear to have fared so well in the personnel area. Do you think your budget provides adequate staffing for this agency?

Secretary KLEPPE. I believe it is adequate when viewed in the context of the aggregate needs of the other bureaus in the Department. As you know, Mr. Chairman, the Administration is committed to a policy of holding Federal employment to a minimum level consistent with carrying out essential programs. This requires us to budget manpower just as carefully as we do dollars. In order to achieve a necessary balance between program increases and available position ceilings, we must support the requested fund increases with employees, at least in those areas where the program increases are of a personnel-intensive nature. That is why the energy-related agencies, such as MESA and BLM, have been authorized to budget for additional positions, and many of the other bureaus, including the Fish and Wildlife Service, have been subjected to personnel reductions.

#### ENDANGERED SPECIES GRANTS-IN-AID

Senator BYRD. What is the Department's rationale for selecting endangered species grants for a \$2 million reduction? As you know, we provided initial funding for this program in fiscal year 1976.

Secretary KLEPPE. As a matter of fundamental philosophy, this Administration encourages the block grant approach, as contrasted to the categorical grant method, in administering the multitude of grant-in-aid programs.

The endangered species grant appropriation in fiscal year 1976 tended to contribute to what we view as an undesirable proliferation of special grant programs.

Moreover, I am advised that the States may legally use Federal aid in fish and wildlife restoration funds for this purpose, if they so desire. The total available to the States from this source will be about \$90 million in fiscal year 1977.

Senator BYRD. This is the constrained budget, as you have indicated. It would be helpful to the committee to examine the Department's priorities as contrasted with the priorities developed through OMB analysis. Would you please supply for the record a tabulation by agency and by appropriation the amounts requested by the Department as compared to the OMB allowance?

Secretary KLEPPE. We will be glad to do so, Mr. Chairman.

[The information follows:]

Interior and Related Agencies Only  
 FY 1977 Appropriations Request to OMB and President's Allowance  
 Definite and Indefinite Appropriations

(In thousands of dollars)

Bureau/Appropriation	Appropriation Request to OMB	Pay Raise Request to OMB	Total Request to OMB	President's Allowance	Difference
<u>Bureau of Land Management</u>					
Management of lands and resources .....	214,989	4,027	219,016	208,740	-10,276
Construction and maintenance .....	13,061	184	13,245	9,884	-3,361
Public lands development roads and trails (liq. of C/A) .....	4,224	72	4,296	5,000	+714
Oregon and California Grant Lands .....	44,500	733	45,233	30,000	-15,233
Range Improvements .....	7,235	73	7,308	7,235	-73
Recreation development and operation of recreational facilities .....	300	6	306	300	-6
<b>Total, Bureau of Land Management .....</b>	<b>284,299</b>	<b>5,095</b>	<b>289,394</b>	<b>261,159</b>	<b>-28,235</b>
<u>Office of Water Research and Technology</u>					
Salaries and expenses .....	24,800	109	24,909	22,273	-2,636
<u>Bureau of Outdoor Recreation</u>					
Salaries and expenses .....	6,100	228	6,328	6,187	-141
Land and Water Conservation Fund .....	300,000	--	300,000	300,000	--
<b>Total, Bureau of Outdoor Recreation .....</b>	<b>306,100</b>	<b>228</b>	<b>306,328</b>	<b>306,187</b>	<b>-141</b>
<u>Fish and Wildlife Service</u>					
Resource management .....	131,133	3,770	134,903	122,821	-12,082
Migratory Bird Conservation Account .....	10,000	--	10,000	--	-10,000
Construction and anadromous fish .....	7,748	--	7,748	6,727	-1,021
<b>Total, Fish and Wildlife Service .....</b>	<b>148,881</b>	<b>3,770</b>	<b>152,651</b>	<b>129,548</b>	<b>-23,103</b>
<u>National Park Service</u>					
Operation of the National Park System .....	270,536	14,103	284,639	272,864	-11,775
Planning and construction .....	54,200	449	54,649	33,200	-21,449
Road construction (liq. of C/A) .....	34,500	183	34,683	18,000	-16,683
Preservation of historic properties .....	28,916	136	29,052	14,500	-14,552
Planning development and operation of recreation facilities .....	12,000	296	12,296	14,000	+1,704
John F. Kennedy Center for the Performing Arts .....	2,975	97	3,072	3,072	--
<b>Total, National Park Service .....</b>	<b>403,127</b>	<b>15,264</b>	<b>418,391</b>	<b>355,636</b>	<b>-62,755</b>
<u>Geological Survey</u>					
Surveys, investigations and research .....	319,759	7,368	327,127	284,308	-42,819

	Appropriation Request to OMB	Pay Raise Request to OMB	Total Request to OMB	President's Allowance	Difference
<u>Bureau/Appropriation</u>					
Mineral Enforcement and Safety Administration	106,400	3,001	109,401	90,148	-13,253
Salaries and expenses	175,515	2,391	177,906	154,370	-23,536
<u>Bureau of Mines</u>					
Mines and minerals	615,951	14,069	630,020	589,510	-40,510
<u>Bureau of Indian Affairs</u>					
Operation of Indian Programs	100,878	318	101,196	46,263	-54,933
Construction	52,795	348	53,143	46,795	-6,348
Road Construction	27,205	--	27,205	27,205	--
(Liquidation of Contract Authority)	5,000	--	5,000	--	-5,000
Appropriation	30,000	--	30,000	30,000	--
Revolving Funds	--	--	--	20,000	20,000
Alaska Native Fund	--	--	--	3,000	3,000
Loan Guaranty and Insurance Fund	35,387	--	35,387	35,387	--
Tribal Funds - Definite	870,216	14,735	884,951	798,160	-86,791
Tribal Funds - Indefinite	37,200	28	37,228	21,862	-15,366
Total, Bureau of Indian Affairs	98,933	160	99,093	82,321	-16,772
<u>Office of Territorial Affairs</u>					
Administration of Territories	136,133	188	136,321	104,183	-32,138
Trust Territory of the Pacific Islands	13,000	569	13,569	12,658	-911
Total, Office of Territorial Affairs	22,738	733	23,471	21,097	-2,374
<u>Office of the Solicitor</u>					
Salaries and expenses	14,930	320	15,250	12,695	-2,555
Office of the Secretary	907	--	907	907	--
Salaries and expenses	38,575	1,053	39,628	34,699	-4,929
Departmental Operations	2,870,805	53,771	2,924,576	2,553,329	-371,247
Salaries and Expenses (Special Foreign Currency)					
Total, Office of the Secretary					
<u>TOTAL, DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES</u>					
(Excludes Power Agencies)					

## OCS REVENUE ESTIMATES

Senator BYRD. Now, let's take a look at revenues.

We will have to question again on the validity of the Department's revenue projections, mainly as they apply to Outer Continental Shelf oil and gas leases.

Last year we had difficulty in accepting the \$8 billion estimate offered for fiscal 1976 by the Department, as did the Budget Committee. Now that that estimate has been chopped back to \$6 billion, I would say we were right to be skeptical. Now we must ask how valid is the \$6 billion for fiscal year 1977?

Secretary KLEPPE. Mr. Chairman, your criticism is very well placed, and the facts demonstrate that your concern was correct.

What happened to us basically from a standpoint of estimates—our projection in the old established areas, as I recollect, was pretty well on target. What happened in the new areas, particularly in the California Outer Continental Shelf area, is that historically where we received bids on 77 percent of the tracts we put up, we only got bids on 30 percent of the tracts. However, I would hasten to add that the bids we received and accepted were all above the estimates, but the reason the total was down was because we received bids on less than half the tracts we expected.

What is going to happen in 1977 is a good question, and it is a very difficult thing to project because we are dealing with frontier areas, the industry has a lot to learn, we have a lot to learn, the water is deeper, the conditions are tougher, and it is a very hard figure to project. So any kinds of comments or criticisms we will accept, but we had to put down a number and hope it was achievable.

In California we experimented with the three most lucrative appearing tracts and we doubled the royalty which in turn reduced the bonus received on the front-end. That was a factor, also, in reduction.

Senator BYRD. I take it your 1977 estimates were developed before the disappointing offshore tract sales in Southern California.

Mr. WILES. They were developed before, and we did have a higher estimate at one time. It was up to \$8 billion. After the California sale there were some adjustments made and it is currently \$6 billion.

Senator BYRD. Would you say your current estimate of \$6 billion is a conservative estimate? Would you say you are on the safe side?

Secretary KLEPPE. I think it is a middle of the road. With my natural bent, I would like to see it a little bit less. I think we would have a better chance of achieving it, but I think it is a middle of the road estimate.

Senator BYRD. What would you like to see it at as a conservative, safe estimate?

Secretary KLEPPE. I would think a very safe estimate would be \$4 billion. But I am hopeful that it will be better.

## STATUS OF NORTH ATLANTIC SALE

Senator BYRD. Does the Department plan to cut back sharply on North Atlantic sales as a result of the poor bidding in Southern California?

Secretary KLEPPE. Not at this time, Mr. Chairman, that is not our plan at this time. There may be other factors that will come into

being, environmental questions, geologic information, but not at this time.

Senator BYRD. If you were to have to cut back sharply, how would that effect your revenue projection for 1976 and 1977?

Secretary KLEPPE. Most assuredly it would have a downward effect and be quite serious. In the Gulf of Alaska sale that has now been delayed for many different reasons, we may end up deleting some tracts that we initially included, and consequently it is going to reduce the income coming in from the bonuses.

Senator BYRD. As we have already discussed, the ambitious program to accelerate offshore oil and gas leasing isn't living up to expectations. The 10 million acre leasing goal for 1975 was virtually scrapped. And it appears to plan to hold six lease sales a year isn't holding up. What are your OCS leasing goals for 1976 and 1977?

Secretary KLEPPE. Our OCS leasing goal from the standpoint of acres is originally at about 9 million acres, nine sales. It is very likely that we will end up selling less than that, very likely that we will have leases offered for fewer acres. Consequently, that is going to have a great effect on those estimated revenues.

But may I restate, Mr. Chairman, that is a very difficult area to project precisely because if we change our bidding processes, for example, and go the route of increased royalties, that is going to cut down the front-end. If we continue not to allow any two of the top nine companies to bid together, that could have an effect on the total dollars. So there are many decisions that go into those estimates and they are difficult, and you are on a very fair track here because it shows up in the bottom line, you see.

#### OCS APPROPRIATION INCREASE

Senator BYRD. Taking into consideration the delay in your leasing program, do you think that the Department is going to need the \$10 million increase budgeted for OCS leasing?

Secretary KLEPPE. Yes; we certainly think so. The work is on track, we are going to have to do the work, and, yes, I do believe we need it very badly. This is a very necessary element, we believe, in the national interest that we pursue this as hard as we can.

Senator BYRD. There is only a 6½ percent increase for OCS environment and geologic appraisals. Do you feel that is adequate in view of the expanded leasing effort?

Secretary KLEPPE. I would say that is tight. That is an expensive process, a long process, and it is tight, but we believe we can make it work.

#### POSSIBLE FEDERAL OCS EXPLORATION

Senator BYRD. Congress continues to consider the wisdom of a basic change in the Government's offshore leasing program involving Federal exploration. We discussed this at length last year with Secretary Morton. What is the Department's policy now? Is there any change?

Secretary KLEPPE. I am not sure what Secretary Morton said, but I appeared before the Ad Hoc Committee over in the House and I kind of told Chairman Jack Murphy and his committee that we are all right with our present policies, we don't need this law.

Now, what has happened in the meantime is that many of the suggestions and ideas that that committee came forward with, because of their hearings, we adopted as matters of policy, so what they did was not lost. We took some of it and put it into effect promptly, but we believe we can function very well in the OCS program without a new bill and without many of those additional factors. As a matter of fact, some of those, if they are included in legislation, are going to slow us down pretty badly and make it difficult for us to function in the OCS area.

The front-end assistance question, that is a separate one. It is identified with it but it is a separate one.

As I indicated earlier, there is an administrative point that we need, not only for oil but also for coal and other mineral type development.

#### OCS LEASING COORDINATION WITH STATES

Senator STEVENS. The House report on the fiscal year 1976 Interior appropriations bill identified problems such as lack of coordination with the States and overleasing in the Outer Continental Shelf leasing program. Do you feel these problems are now substantially resolved?

Secretary KLEPPE. Yes; I do feel that these problems have been resolved. We have revised our earlier leasing goal and believe our current program of six sales per year through 1978 with sales in all frontier areas is responsive to national demand for oil and gas development while assuring the environmental integrity of the areas involved. We have greatly expanded our coordination with States affected by proposed OCS lease sales. For example, the call for nominations now includes a call for comments by States or other interested parties relating to a proposed sale. In addition, States are now being included in all phases of the tract selection process. They are invited to participate in both the preliminary field meeting where all available environmental and resource data are reviewed and the actual tract selection meeting in the field between BLM and GS. They are also invited to attend the meeting held in Washington to review the specific tract selections. States vary in their response to these new opportunities, but all States affected by the proposed South Atlantic sale attended the field tract selection meetings and are planning to attend the review meeting here in Washington.

The Department has also adopted a policy of including States in the preparation of the draft environmental impact statements. States affected by a particular proposed sale have input both through meetings during the preparation of the draft and in review of the draft prior to the statement being sent to Washington. Of course, States have also had input for some time in the design of our environmental studies through our OCS advisory board.

#### ENERGY RELATED SPENDING

Senator BYRD. As to energy spending, the Department has provided the committee a summary table of energy related spending for fiscal 1977 and 1976 comparisons. It would be well to include that in the record at this point since we will be discussing it.

[The information follows:]

## DEPARTMENTAL SUMMARY

Funding for Energy Related Activities For the  
Fiscal Years 1975, 1976 and 1977  
(Obligations in thousands of dollars)

Department of the Interior

Category and Activities	F. Y. 1975	F. Y. 1976	F. Y. 1977	Increase (+) or Decrease (-) '77 over '76
<b>I. Energy Research and Appraisal</b>				
<b>Total</b>	129,846	175,868	171,091	-4,777
a. Outer Continental Shelf:	56,800	55,238	58,835	+3,597
* - Environmental Baseline Studies	(20,500)	(41,700)	(46,600)	(-4,900)
* - Geological Reconnaissance	(14,366)	(13,538)	(12,235)	(-1,303)
* - Onshore Oil and Gas	4,930	6,544	6,244	-300
b. Coal	56,631	73,918	76,238	+2,320
c. Geothermal	9,594	10,689	4,383	-6,306
d. Oil Shale	8,831	10,380	9,688	-692
e. Uranium/Thorium	8,558	9,588	10,893	+1,305
f. Transmission/Storage	4,418	5,957	1,533	-4,424
g. Other	4,018	3,554	3,277	-277
<b>II. Energy Lending</b>				
<b>Total</b>	54,781	67,529	88,402	+20,873
a. Outer Continental Shelf:	33,759	42,004	52,743	+10,739
* - Resource Classification	(13,145)	(15,697)	(22,230)	(-6,533)
* - Lease Administration	(20,611)	(26,307)	(30,513)	(-4,206)
b. Onshore Oil and Gas	9,861	11,925	20,179	+8,254
c. Coal	6,071	6,904	8,532	+1,628
d. Oil Shale	1,211	2,212	2,439	+227
e. Geothermal	3,382	4,284	4,309	+25
f. Uranium/Thorium	--	200	200	--
<b>III. Generation and Power Marketing</b>				
<b>Total</b>	440,470	558,656	528,892	-19,764
a. New Generation Construction	129,256	160,816	108,734	-52,082
b. Transmission Facilities Construction	146,662	189,089	195,272	+6,183
c. Operation and Maintenance	164,552	208,781	234,887	+26,106
<b>Total</b>	27,032	33,440	36,360	+2,920
IV. All Other	4,000	4,326	4,588	+262
a. Energy Data Collection	5,239	5,367	5,367	--
b. General Energy Planning	17,793	21,217	23,205	+1,988
c. Permit Administration	(9,993)	(10,031)	(9,031)	(-1,000)
* - Trans-Alaska Pipeline	(3,500)	(1,000)	(-)	(-1,000)
* - Arctic Gas Lines Analysis	(4,300)	(10,186)	(14,174)	(-3,988)
* - Other	--	2,530	3,200	+670
d. Environmental Impact Analysis	--	--	--	--
<b>GRAND TOTAL, ENERGY FUNDING</b>	651,629	835,523	834,746	-777

## NO-EXPANSION ENERGY PROGRAM

Senator BYRD. Now, excluding the power generation and marketing amounts which are not included in the Interior bill, the table shows total Interior energy spending for 1977 at \$295.8 million. That's about \$19 million, or 7 percent, over 1976. As a whole, that sounds like a no-expansion program. Is that acceptable at this time?

Secretary KLEPPE. We think it is, Mr. Chairman. However, I would hasten to add that it should be noted that these programs have been substantially increased in the past several years, but there are still two problem areas that exist and I would like to call the Chairman's attention to them.

First, is one that I mentioned before and that is that we may require additional funding for a step-up in the coal leasing program that is not provided for. We are reserving future judgment on that.

Second, we still have under discussion with OMB the question of jurisdiction on the funding of geothermal activity. This has not been settled insofar as this budget is concerned, because we got a decrease in this budget for geothermal of \$6 million and it was added into ERDA's budget. We think that with the authorities and the directives that we have, that we need this, and so we are working with OMB to get this reconstituted in our budget.

## REDUCTIONS IN ENERGY RESEARCH AND RESOURCE APPRAISAL

Senator BYRD. The major expansion in energy is for leasing programs while research and resource appraisal are actually down by nearly \$5 million. Do you care to comment on that? Can that policy be justified?

Secretary KLEPPE. Bill, can I call on you?

Mr. FISHER. There are substantial increases, I think, Mr. Chairman, in terms of the tract evaluation, specifically with the leasing program. There have been some decreases in the geologic appraisal work. But there is about \$18 million, I believe, as an increase in tract evaluations and work associated directly with the leasing program.

Secretary KLEPPE. I think there is something else I should add. That is some nonrecurring purchases of equipment and construction from the Bonneville Power Project. And then the \$6 million reduction in the geothermal, as I previously indicated.

## INTERIOR-ERDA JURISDICTION

Senator BYRD. On the geothermal, the biggest reduction in your energy program is the \$6 million cutback in geothermal resource appraisal you just mentioned. At the same time, if we look at the Energy Research and Development Administration budget, we find a \$6 million increase for the same kind of work. What's behind this? Hasn't this work traditionally been in the Interior Department?

Secretary KLEPPE. Yes, Mr. Chairman, as I indicated, this was an allocation made by OMB and we are, in fact, appealing that because we still have work to do and we have direct authority to do such work and we are in the process of working with OMB on that now. But it is true that it went to ERDA.

Senator BYRD. Is there any other energy resource area in which ERDA is taking over Interior Department research and appraisal? For example, has ERDA appraised oil and gas or coal resources?

Secretary KLEPPE. Not that we know of, Mr. Chairman.

Senator BYRD. Do you know of any other resource area in which they are taking over?

Secretary KLEPPE. Not at this time. However, the ERDA authorization for fiscal year 1976 contained authorization for ERDA to conduct a program of environmental and safety research and to establish an energy information system. Both of these authorizations appear to duplicate ongoing programs in the Department of the Interior. We do not know the extent to which these authorizations have been implemented or how they may be intended to be implemented in the future.

#### OVERLAP IN ENERGY DATA COLLECTION PROGRAMS

Senator STEVENS. Is there any progress being made in reducing the overlap and duplication in ERDA, FEA, and the Department of the Interior energy programs, particularly in the area of energy data collection?

Secretary KLEPPE. Great progress has been made in reducing overlap and duplication by the Bureau of Mines and FEA in energy data collection. An agreement between the two agencies designates the Bureau as collecting agency with both agencies utilizing the data. This program has finished its testing period and currently it is meeting the requirements of the two agencies. The petroleum industry is now reporting data for refineries, bulk terminals, pipelines, and crude oil stocks to the Bureau and the FEA has ceased its canvassing for these data. To further the cooperation between the Bureau and FEA, an agreement designed to facilitate coal data collection is near completion. Already the Bureau has given coal data to FEA to help identify coal reserves and location of mines. This information was necessary for FEA under the new Energy Policy and Conservation Act. Continued close cooperation between the two agencies will be necessary for each to meet its requirements for energy data.

The Bureau has cooperated with ERDA by providing coal data. The coal reserve data have been used by ERDA to identify coal availability and coal reserve input for various purposes. You may recall that in January 1975 the six "energy centers" of the Bureau of Mines and the Office of Coal Research of Interior were transferred to ERDA and consequently those specialists involved with fossil fuels are fully aware of the data and information available in Interior and make frequent use thereof.

#### NEPA COSTS

Senator BYRD. Last year we questioned Secretary Morton on the environmental protection costs of Interior programs, particularly energy. That resulted in some interesting figures—some \$24.5 million estimated in the current year for writing up environmental impact statements alone, and some \$108 million devoted to environmental problems of energy activities. The costs seem to be getting out of hand.

Do you have any current estimates for fiscal 1976 and 1977 on environmental protection costs in your programs?

Secretary KLEPPE. Mr. Chairman, our estimates for 1976 are somewhat different than what you just recited. Our estimates are \$22.8 million and our projections for 1977 are almost \$29.1 million for those bureaus funded in this bill. I share with you completely your concern for the cost of this activity. It is a serious one.

If I can just give you a little bit of background, there are people in the executive branch of the Government, I think very honestly, that are interpreting the NEPA law to indicate that maybe we at Interior and others in the Government are going into too much detail in preparing these environmental impact statements and that is a matter of interpreting the law, but the problem is that every time we get into court—and we get there very often—the judge will say, “You haven’t done enough detail; come back again.” So out we go.

I got the horrendous figure from people in our Department that the average cost of an EIS is \$400,000, and it takes 12 to 15 months to prepare. All I can say is that I want to underline that word “horrendous” because it is very difficult, and this is not to shoot out of the bathtub—which is a common North Dakota phrase, I guess, Mr. Chairman—it is not to shoot out the benefits in the provisions of NEPA, but this is what has happened to us from the standpoint of the interpretation and it is extremely difficult and costly. I think it is a very good question that you ask, what are our exposures in this area, and that is what our estimates are.

Senator BYRD. You have indicated that the average cost of an EIS is \$400,000 and it requires 12 to 15 months in preparation of it. How many man-hours are spent on that average?

Secretary KLEPPE. I haven’t got the man-hours here. Maybe we could supply that, if you wish. Maybe we can get that. I don’t know what you are leading to, but I want to respond because I think maybe there is a way we can save something here by doing more contracting. I think there is a way we can get some of this information cheaper and, hopefully, better than we are doing it now. We are investigating this and working on it.

Senator BYRD. Do you suppose you could submit to the committee a revised estimate of the needs in this regard?

Secretary KLEPPE. Along the lines of contracting?

Senator BYRD. Yes.

Secretary KLEPPE. Well, I can’t promise you any revised estimate, but I can promise you that we will take a look and see what prospects we might arrive at here that would be beneficial from a cost standpoint and submit that. I am not that hopeful that we are going to have that much better a picture to look at because it is an extremely costly and time consuming process.

Senator BYRD. Let’s leave the record open for a little while to see if you can supply us with that information, Mr. Secretary.

[The information follows:]

The Department has initiated a more detailed study of the costs of compliance with Section 102(2)(c) of NEPA. We expect to complete this study by the end of April.

## ARCTIC GAS PIPELINE

Senator BYRD. You have a supplemental appropriation request pending on the Arctic gas pipeline. Where does that stand and what funding is projected for it in fiscal 1977?

Secretary KLEPPE. This budget for 1977 only indicates very minor involvement insofar as the Arctic Gas application. We believe that is the base capability that we need to complete our option document, our decision document. That has to do with the development of the stipulations for right-of-way. We think we are in shape to take care of that all right.

Senator BYRD. Are there any other major energy rights-of-way projects coming along that might require additional funding this year or in fiscal 1977?

Mr. ROBINSON. The information is that we may have as many as 11 rights-of-way problems associated with energy development, Mr. Secretary.

Senator BYRD. Would you give us a breakdown of those for the record?

Secretary KLEPPE. Yes, we would be glad to. I think I have that information here some place, Mr. Chairman, but it is not coming to the surface and we will be glad to supply it.

[The information follows:]

## ENERGY-RELATED RIGHTS-OF-WAY PROJECTS

The numbers and types of energy related rights-of-way projects changes almost daily as new projects are proposed, work on old projects is completed, and private sector plans change. Our current estimate, used in developing the 1977 Budget, is an energy related workload of some 133 projects many of which were begun in fiscal years 1975 and 1976. Eleven new projects are expected to begin in fiscal year 1977.

The continuing project workload is ongoing in all of the western states and ranges from issuing R/W permits for relatively short distanced transmission lines to preparation of major environmental impact statements on projects such as Lucerne Valley in California, Denver Water Board and N.W. Colorado Coal in Colorado, and the Emery, Allen Warner, Kaiparowits projects in Utah.

At the present time new projects planned to begin in fiscal year 1977 are mainly rights-of-ways for transmission lines. The specific projects are as follows:

- Arizona - West wing to El Sol  
Liberty to Yuma  
USBR Oregon - Arizona
- Colorado - Occidental Oil Co.
- Idaho - Jim Bridger Extension
- Nevada - Oregon - Mead  
Mead - Davis
- Oregon - Hanford Thermal  
Brown's Canyon Hydroelectric  
Antilow Lake Hydroelectric  
Shankers Bend Hydroelectric

## FUNDING SHIFTS IN ENERGY-RELATED BUREAUS

Senator BYRD. We recognize the need for energy-related increases in the budgets of the Geological Survey and Bureau of Mines, Mr. Secretary. I particularly commend you on the badly needed increase for coal mining technology. At the same time I am concerned over some of the reductions in these agencies' programs. Does the Department view these funding shifts as a continuing policy?

Secretary KLEPPE. The reduction in some of the 1977 programs does not indicate a continuing policy by the Department, but rather that, in many instances, funds were appropriated in 1976 for nonrecurring or completed programs or for construction projects and therefore no funds are required in 1977.

Additionally, we expect variations in funding requests, both upward and downward, as major parts of our programs change. For instance, there is no major Bureau of Mines funding request for a proposed alumina-from-domestic-resource pilot plant this year, but by next fiscal year we expect to be ready to request major funds from the Congress for this project.

Similarly, the budget reductions within the Geological Survey budget do not represent a long-term shift but rather a temporary shift into highest priority work due to the fiscal restraint reflected by the fiscal year 1977 budget. We recognize the need, for example, to implement our recent decision to move forward with an orderly coal leasing program which means we must accelerate evaluation and management activities in this area.

## FEDERAL COAL LEASING POLICY

Senator BYRD. Now, let's talk a little bit about coal leasing.

The committee is aware of your recent announcement of a new Federal coal leasing policy. How long do you anticipate it will take to implement the policy?

Secretary KLEPPE. We are in the process, Mr. Chairman, of implementing it right now. However, I must qualify that and say that doesn't mean that we are going out and have any coal leases issued tomorrow, next week, next month or however soon.

The important thing about that announcement, Mr. Chairman, is that we now have a process whereby coal leases can be issued subject to all of the restrictions we have now, and there are many of them.

The important thing about that whole area, I believe, if I could just take a moment to explain, is this: We are in very close contact with the Governors of the States primarily involved. You know the concern of the Western Governors particularly, that the Department of the Interior is going to ravage the West. That is not any part of the plan or the intention. We are going to work very closely with the Governors to say to them, where you have got a State law that is tougher than the Federal regulations, which we are promulgating, which may be superseded by an Act of Congress, a bill in Congress, whether that passes or not, but if it does become law, that will supersede our regulations, that being the case that is the Government's standards.

We are saying, "If your State law is as tough as that, or tougher, we are going to allow you to use your standards on Federal land

in your State, and we are going to create a mechanism that will enable us to give you administrative and enforcement authority so you can have a program; but don't sit."

Now, that "don't sit" plainly means the Governors will not have veto authority over a given project because that would be abrogating our Federal responsibility. We cannot do that, and we won't do that. But I am very hopeful that we are going to have a communication that is going to make it very possible for us to get into coal development with all of the constraints of the protection of the environment, then, that we need, and we can't do it the old way.

Senator BYRD. What impact will implementation of the new policy have on coal leasing in the current fiscal year and in fiscal 1977?

Secretary KLEPPE. That is a question. As I indicated, we don't have any money in here. If we get into sensitive activity in coal leasing, there is no money in the 1977 budget for that. We may have to request additional funds, but because of the outstanding leases and because of the relocation, as it were, of other leases that may be necessary, we might find ourselves bogged down, but we are going to move forward with the implementation as best we can with what we have got.

#### IMPLEMENTATION OF NEW COAL LEASING POLICY

Senator BYRD. It would seem that, even if all goes well, it will take some time to implement the new coal policy to the extent that significant new leasing activity can occur. Why, then, does the Department require a \$1.6 million increase for coal leasing activities in 1977?

Secretary KLEPPE. Mr. Chairman, I believe your question may refer to the \$1.3 million increase in BLM's coal budget as related to energy research and development activities. It is a portion of our table showing energy related activities of the Department. This amount does not represent an increase in the total budget. What it reflects is a shift in emphasis for the Energy Minerals Rehabilitation and Analysis program—EMRIA for short—to potential coal lease areas in 1977. This program, which remains level in the budget at \$3.2 million, is a joint BLM-USGS-BR effort to determine the rehabilitation capability of specific energy minerals sites leased, or being considered for leasing. Data gathered by the program permits consideration of rehabilitation potential in leasing decisions, and helps us prepare meaningful rehabilitation stipulations to fit the specific situation on the ground.

In fiscal year 1976, EMRIA program emphasis was on potential coal areas, but oil and gas leasing sites were also evaluated. Our table shows \$1.9 million for coal in 1976 plus \$1.3 million for EMRIA efforts directed toward oil shale and oil and gas areas. In 1977, the total \$3.2 million is shown as coal research, which accounts for the \$1.3 million increase. There is no increase proposed at this time for coal leasing activities per se in BLM's budget.

You are certainly correct that a significant period of time will elapse before major new leasing activity will occur. The primary factor here will be the time required to carefully analyze environmental impacts, analyze rehabilitation potential of possible lease sites, and prepare required impact statements.

## COAL PRODUCTION GOAL

Senator STEVENS. Does the goal of doubling 1975's coal production by 1985 still seem attainable?

Secretary KLEPPE. Yes. The coal industry has provided assurances that a doubling of production can be accomplished within a 10-year period. Industry spokesmen, however, say that increasing capacity to this extent cannot be accomplished under existing State and Federal Government policies primarily as they relate to environmental goals and the withdrawal of Federal coal lands from development. There is a present lack of economic incentives stemming from the absence of a national energy policy which should include a firm commitment to greater coal utilization. The industry claims few other serious obstacles to a doubling of productive capacity by 1985. Coal reserves are available for development. Mining equipment and machinery industries have the capacity required to construct and to equip new mines to accomplish this goal. Manpower requirements will be large; however, recruiting and training the required number of additional miners is not viewed as an insurmountable obstacle.

## ONSHORE OIL AND GAS PROGRAM

Senator BYRD. Your statement makes the point that oil production continued to decline on Federal lands, although gas production is up. What is the justification for the Department's \$8.2 million increase for onshore oil and gas leasing while resource appraisal for that activity declines?

Secretary KLEPPE. The requested increase for onshore oil and gas is directed toward two objectives. The first objective is to respond to new and expanded leasing onshore to attempt to find new supplies of oil and gas. Onshore production has been declining for oil and the industry is seeking additional leases to attempt to find new supplies. Also, filings for leases and production of oil and gas are not necessarily related in the short time span of 1 year. Development of Federal leases began accelerating in 1974 when 6 percent of domestic oil and gas production was supplied by these leases. Projections show production increases from these leases by 1985 of up to 57 percent for petroleum and 10 percent for natural gas. Meeting such a requirement means massive exploration and development which is already reflected in an increasing number of simultaneous filings for noncompetitive oil and gas leases.

The second objective is to improve the management of onshore leases. During fiscal year 1975, NASA completed a study under a contract from the Geological Survey of our onshore lease management practices and made a large number of recommendations for improving this program. Additional resources are needed to provide the required people and funds to carry out the improvements recommended by the NASA Study.

## DEPENDENCE ON IMPORTED MINERALS

Senator STEVENS. Do you foresee any realistic chance for improving our current dependence on imports for a large proportion of our essential minerals?

Secretary KLEPPE. There is not much chance for reducing our dependence on imports for a large proportion of our mineral requirements. But we do foresee realistic chances for improving our current import dependence for particular commodities such as iron ore, mercury, tungsten, vanadium, and possibly bauxite, provided research efforts to develop non-bauxite sources of aluminum are successful.

However, it may not always be in our best interest to reduce import dependence for all commodities. In our economy, price is usually the determinant to production and consumption. Prices are determined through open-market competition except in cases where there is intervention such as price supports or OPEC-type price actions. Normally the American businessman will purchase at the best price regardless of where the commodity is produced, provided he can be confident of uninterrupted supply and prompt delivery.

#### OIL SHALE PROGRAM LEVEL

Senator BYRD. Overall, the funding proposed for oil shale appraisal and leasing are down. Why?

Secretary KLEPPE. The reduction is \$1 million for oil shale research as shown on the energy-related activities table. This relates to your earlier question about coal, as it reflects the change in emphasis for the EMRIA program to coal areas exclusively in 1977. Evaluating the rehabilitation potential of future possible oil shale lease sites is not critical in the short term, because we plan to evaluate the environmental effects of developing the prototype oil shale leases before new leasing is considered. On the other hand, additional leasing of coal is much more likely to occur in the near future.

#### RANGE LAND CONDITIONS

Senator STEVENS. Do you see any significant progress being made in the effort to improve the Nation's rangelands?

Secretary KLEPPE. Yes, I do, but it will take many years to significantly reverse the overall declining condition of the past several decades. The program levels approved by the Congress for fiscal year 1976 are an important first step. Beginning in January, when the extra funds for BLM's range, watershed, and wildlife programs became available, we expanded these programs.

Additional wildlife funding is planned for development of on-the-ground habitat improvements, and the congressional increase for watershed management is allowing us to do a better job of maintaining facilities such as earth dams and water spreading systems, many of which have been deteriorating for lack of adequate maintenance.

The 1977 budget continues the expanded BLM range, wildlife, and watershed programs at the 1976 level. In addition, the grazing fee increase which goes into effect in March will provide an additional \$1.8 million for BLM's range improvement fund in 1977. These funds also will be available for maintenance of old facilities, and environmental assessment and construction of new facilities to implement allotment management plans.

In summary, I believe we are making an important start toward reversing declining range conditions in fiscal year 1976 and will be able to continue toward this objective with the program levels in the fiscal year 1977 budget.

## WATER RESOURCES

Senator BYRD. The policy of phasing out saline water conversion seems to be continuing in the 1977 budget, Mr. Secretary, although we have been told water desalinization will continue to have a role in the combined Office of Water Research and Technology. Please tell us what is planned for this activity in the future.

Secretary KLEPPE. Mr. Chairman, we are not phasing out the saline water conversion program. The budget request for fiscal year 1977 is approximately \$1.0 million more than our budget request for fiscal year 1976. The program for fiscal year 1977 is a balanced program consisting of research work in the sea water membrane area and development and testing of membrane technology at various locations on actual sea water. The program also includes funds for the transfer of the desalting technology developed over the past 20 years to water suppliers for application to their water problems. The fiscal year 1977 program also includes a new initiative—water reuse—and the saline water program will be significantly involved in this activity. We are closing our test facilities at Fountain Valley, Calif.; Roswell, N. Mex.; and Wrightsville Beach, N.C. These facilities have served a very useful purpose in the programs. They are being discontinued for reasons of economy. These facilities were designed for a much different type program than we currently envision for the future.

## SALINE WATER CONVERSION R&amp;D

Senator BYRD. Does the Government now take the position that there is no need for further research and development in saline water conversion?

Secretary KLEPPE. On the contrary, we believe there is a need to continue further research and development in the saline water area. We are directing that future work toward the solution of technical problems in connection with the development of sea water membrane technology. Also, the program for fiscal year 1977, as I mentioned earlier, includes funding for the new initiative, water reuse.

## MINING ENFORCEMENT AND SAFETY ADMINISTRATION

Senator BYRD. Let's talk about MESA.

I have noted with interest your budget request for the Mining Enforcement and Safety Administration, which includes start-up operating funds for the National Mine Health and Safety Academy and expansion of enforcement personnel. I wish to commend the Department for recognizing the needs of this agency.

Mr. Secretary, you are doubtless aware of proposals to transfer MESA to the Labor Department. Do you have any policy comments on this issue?

Secretary KLEPPE. I certainly do, Mr. Chairman. I have never been one who much believes in the fact that you reorganize just for the purpose of moving something. I believe that experience exists in our Department, including the Bureau of Mines, and that the rest of it boils down to administrative efficiency, and that we can do it better than some place else can do it.

Mr. Chairman, I have indicated this to the President, and I have no reason to believe that he didn't generally agree with that my

position. I don't think that anything good can be accomplished by transferring MESA to Labor or any place else. I think we have a responsibility to do it better than we have done it, and we are moving in that direction and I am pleased, frankly, with the budget and the direction of the activity that we are going to put into MESA to make it better, because it is a critical and important agency of ours and the answer is not just to change the box and put it someplace else.

Senator BYRD. Do any of your associates wish to add their comments on your comments?

Secretary KLEPPE. I hope these associates agree with that or we are going to have another meeting. [Laughter.]

Senator BYRD. You know, I sort of like your style. Now, let's see if there is any disagreement among them?

Mr. FISHER. There is none.

Secretary KLEPPE. Who wants to speak up?

#### TERRITORIAL AFFAIRS

Senator BYRD. Under territorial affairs, I notice the Department is again asking for a budget increase this year for the trust territory of the Pacific Islands. This committee has been concerned for several years with the management of the trust territory, and this concern has been heightened by two recent reports highly critical of the trust territory government. The most recent is by your own office of territorial affairs which reported in effect that the trust territory was riddled with waste and mismanagement.

First, can you tell the committee specifically what is being done to correct the serious problems in the trust territory?

Secretary KLEPPE. Public works programs in the trust territory were the principal concern of the Jackson committee hearings. In accordance with recommendations made in March of 1975 by the Committee on Interior and Insular Affairs, the Office of Territorial Affairs conducted an onsite study in the territory during the months of June and July. This study resulted in a series of recommendations, many of which have been implemented. Three principal issues already have been given special attention. These are improved management procedures, a revised public works program, and a proposal to relocate certain of trust territories headquarters administrative functions to the districts. All of these proposals have received strong support from the Congress of Micronesia.

In an attempt to achieve financial accountability in the trust territory, consultants from the Department have been assigned to assist the trust territory in reorganizing and streamlining accounting procedures and practices.

#### NAVAL ENGINEERING OFFICIALS

Inadequate supervision and direction in the Public Works Department resulted in mismanagement in the awarding and implementing of Public Works contracts. An agreement, therefore, was signed with the Department of the Navy giving NAVFAC OICC the responsibility for contracting and subcontracting all future capital improvement programs in the trust territory. The Trust Territory Public Works Depart-

ment will concentrate on maintenance, repair, and servicing of the existing and future infrastructure. An organized program of training Public Works employees skills and administrative techniques necessary to carry out their mission has begun.

Studies are now being carried out to determine which administrative functions now at Saipan Headquarters can be more effectively and more efficiently carried out at a district level.

Another serious problem has been the lack of U.S. standards incorporated in local laws and regulations. Accordingly, the Office of Territorial Affairs has drafted revised laws incorporating Federal standards for the trust territory and the Director met earlier this month with the attorney general of the trust territory and his legal staff for the purpose of further refining these bills for presentation to the Congress of Micronesia. Equally important is the need to strengthen the trust territory attorney general's office. Preliminary steps are being initiated to provide additional and experienced legal personnel in investigation and trial procedures.

The lack of adequate inventories of millions of dollars of equipment and property has led to certain abuses. A full-scale inventory evaluation program has begun and an expert from the Department of the Interior's Office of Property Management will be assisting the trust territory administration in reviewing progress, analyzing inventory procedures, and implementing appropriate procedures on an expedited basis.

Other corrective measures include new review procedures for hiring of personnel above GS-11 or equivalent level in order to upgrade the quality of trust territory personnel and the tightening of local controls in use of government vehicles and other equipment.

Senator BYRD. Why should we consider increased funding for the trust territory when its management of programs has been in such a bad state?

Secretary KLEPPE. As I have pointed out, positive steps have already been taken by the Department and the Office of Territorial Affairs to assure that the problem areas are cleaned up. In addition the Department, through the Office of Territorial Affairs, has increased efforts in monitoring the programs in the trust territory to prevent recurrences of these problems. Because of these expanded activities by the Department to assure good management in the trust territory, I feel that the increase in funding for fiscal year 1977 is warranted in order to provide the necessary funds to continue the programs at basically the same level as in fiscal year 1976 considering the large inflation factor prevalent in the trust territory.

#### INDIAN PROGRAMS

Senator BYRD. Your Indian Affairs budget proposals include both 1976 supplemental and 1977 regular funding for implementing the Indian Self-Determination Act. But the Department's request would defer any school operating and construction assistance on or near reservations under that same Act. Why do you propose delaying not only new funding but amounts already appropriated by Congress for these activities?

Secretary KLEPPE. Regarding construction of public schools, we are in the process of developing a set of policies and criteria for the provision of school facilities for Indian children for whom the Department is responsible. These policies and criteria are needed to assure that the multiple sources of financing for Indian schools are directed to the areas of greatest need. We believe funding for this purpose should be delayed until this study is completed.

Another significant consideration involved in the decision to defer funding for both operating expenses and construction of previously private and public schools was the relative priority of this activity compared with all other on-going BIA programs. We did not feel funding of these activities ranked high enough to be included in the BIA budget at the expense of other programs.

Funding for schools which were formerly operated as mission schools by churches and are now being operated by tribes or tribal organizations and which were funded under contract prior to implementation of Public Law 93-638 are included in the 1977 budget request.

Senator BYRD. With all the funding emphasis going to Indian self-determination grants and services, is an equal effort being made to reduce the BIA bureaucracy?

Secretary KLEPPE. Section 104(a) of Public Law 93-638 authorizes grants to Indian tribes for the purpose of training, strengthening and increasing the administration and programmatic capabilities of tribal governments. The purpose of these grants is not to scale down the BIA operations but to prepare the tribes to construct and operate at some future date the Federal programs now operated by the BIA. At that point in time we will have to look at scaling down the Bureau.

#### BIA CONSTRUCTION DROP

Senator STEVENS. What accounts for the large decreases of almost \$27 million in the BIA construction program and almost \$20 million in the BIA road construction program?

Secretary KLEPPE. The \$27 million decrease in the BIA construction program is really a decrease in new spending authority. Because of large unobligated balances in this program, the actual obligation program for 1977 is estimated at about \$4 million above the 1976 program. We think it is prudent to get the program operating on a current basis by obligating existing spending authority and requesting new authority only to the extent the projects can be readily moved into the construction stage.

The 1977 obligation program level for the BIA road construction program is about \$1.8 million above the 1976 level. The numbers printed in the budget and in the budget justifications can be somewhat confusing in that they indicate a reduction in appropriations to liquidate contract authority. The printed numbers reflect a change in the way the program is to be funded; shifting from the contracting authority—cash appropriation basis to a straight appropriation basis. The numbers get a bit involved, but the net effect is the \$1.8 million program increase.

## INDIAN ACTION TEAMS

Senator STEVENS. How well do you feel the Indian action teams program is working?

Secretary KLEPPE. I understand that the program has met with enthusiastic response in Indian communities. Facilities constructed as a part of the program are providing valuable continuing benefits to the communities.

Senator STEVENS. Why is there no request for an increase over last year's program?

Secretary KLEPPE. The Indian action teams program has grown rapidly over its first 3 years, beginning in fiscal year 1974 at a level of \$3.4 million. We propose to continue the program in fiscal year 1977 at the \$14.1 million level established by the Congress for fiscal year 1976. This level will assure an active program balanced against other program needs, and will give us an opportunity to consolidate the experience gained over the first 3 years to conduct the program most effectively.

## BIA PERSONNEL CEILING

Senator STEVENS. What effect will the 236 person decrease in BIA personnel ceilings have on that agency's programs?

Secretary KLEPPE. We recognize there is a decrease in the BIA employment ceiling and in all probability it will cause some problems. However, with good management and close supervision, I feel they can live within the ceiling. We received increases in budget authority for the energy management and mine safety activities and therefore, had to provide employment ceilings for those activities within the total provided to the Department.

## LAW ENFORCEMENT

Senator STEVENS. How will the increase provided in fiscal year 1976 and the increase requested in fiscal year 1977 for law enforcement on Indian reservations be utilized?

Secretary KLEPPE. The major budget increase for law enforcement occurs in fiscal year 1976. The budget was increased from \$10 million in fiscal year 1975 to \$24 million in fiscal year 1976. We are proposing to hold the budget level through fiscal year 1977 while the findings of the Indian Criminal Justice System study are implemented over the next 18 months.

The \$24 million funding level will permit improvements in the enforcement, detention and judicial programs and also will provide the means to meet increased law enforcement responsibilities occasioned by expanded jurisdiction and other special problems.

The program will also be operated in strict accordance with title I of Public Law 93-638, the Indian Self-Determination Act. Tribes which are willing and able will be given the opportunity to operate their law enforcement programs under contract at what we believe is an adequate resource level.

## CLOSING REMARKS

Senator BYRD. Well, Mr. Secretary, I thank you. We will be talking to you more from time to time. You have made a fine statement and an excellent appearance here and I congratulate you and your associates.

I am going to submit some additional questions in writing which I hope will be answered as thoroughly for the record as they would have been if we had been able to get to them this morning.

Unless you have something else at this point, Mr. Secretary, I will have these questions submitted to you, and the committee will stand in recess awaiting the call of the Chair.

Secretary KLEPPE. Mr. Chairman, could I make one comment?

Yes, those questions and any others you may think of, please give them to us and we will do our best to answer them, and, particularly, I want to thank you for your, well, just your attitude this morning. Thank you.

## SUBCOMMITTEE RECESS

Senator BYRD. Thank you very much.

The subcommittee stands in recess, awaiting the call of the Chair.

[Whereupon, at 11:40 a.m., Wednesday, February 4, the subcommittee was recessed, subject to the call of the Chair.]

THE HISTORY OF

THE CITY OF BOSTON

FROM THE FIRST SETTLEMENT TO THE PRESENT

BY

JOHN B. WATSON

AND

JOHN W. WATSON

EDITORS

BOSTON

1856

PUBLISHED BY

J. B. WATSON & CO.

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**DEPARTMENT OF THE INTERIOR AND RELATED  
AGENCIES APPROPRIATIONS FOR FISCAL YEAR  
1977**

**TUESDAY, FEBRUARY 17, 1976**

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

The subcommittee met at 1 p.m., in room 1114, Everett McKinley Dirksen Office Building, Hon. Henry Bellmon presiding.  
Present: Senators Stevens and Bellmon.

**DEPARTMENT OF INTERIOR**

**LAND AND WATER CONSERVATION FUND**

**STATEMENT OF NATHANIEL P. REED, ASSISTANT SECRETARY FOR  
FISH AND WILDLIFE AND PARKS**

**ACCOMPANIED BY:**

**JOHN W. CRUTCHER, DIRECTOR, BUREAU OF OUTDOOR  
RECREATION**

**JOSEPH W. GORRELL, DEPUTY DIRECTOR**

**EDWARD J. CURVEY, ASSISTANT DIRECTOR FOR MANAGE-  
MENT AND BUDGET**

**A. HEATON UNDERHILL, ASSISTANT DIRECTOR FOR STATE  
PROGRAMS AND STUDIES**

**FRED L. JONES, ASSISTANT DIRECTOR FOR FEDERAL PRO-  
GRAMS AND PLANNING**

**WILLIAM C. DENT, CHIEF, DIVISION OF BUDGET AND FINANCE**

**OPENING REMARKS OF SENATOR BELLMON**

Senator BELLMON. The hearing will come to order. We have word that Senator Stevens and Senator Hatfield have been detained and will not be here until 1:30, so in his absence we will go ahead with the hearing.

This is the time scheduled for hearing the budget estimates of the Bureau of Outdoor Recreation and the Land and Water Conservation Fund. Both requests are roughly at the same level as in the current year. The justifications have been printed in part I of the hearing record.

Secretary Reed, I understand you have an opening statement on these requests. You may, if you like, proceed first, and then we will go to the witnesses appearing in behalf of Federal programs

in Land and Water Conservation Fund estimates. We will finish up with the Bureau of Outdoor Recreation.

PREPARED STATEMENT

If you care to do so, Mr. Secretary, you may highlight your testimony and the entire text will be printed in full in the record. I would like to welcome you, Mr. Secretary, and your other witnesses to Capitol Hill. We are glad to have you at this end of the street.

We will insert your prepared statement at this point in the record.  
[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 Bureau of Outdoor Recreation and for the Land and Water Conservation Fund.

This year I am privileged to introduce John Crutcher as the new Director of the Bureau of Outdoor Recreation. He is the fourth person to hold the position with Edward Crafts having been the first Director at the time the Bureau was established in 1962.

John brings broad experience in the legislative and executive branches of the Federal Government, and the benefit of considerable responsible service in State Government. As a former Lt. Governor and State Senator in the State of Kansas, he understands the workings of State government and will find it easy to work with the Bureau of Outdoor Recreation's largest constituency--the various State agencies with which the Bureau collaborates in outdoor recreation planning and to which it makes Land and Water Conservation Fund grants.

We are delighted to have John with us as an executive member of the Department of the Interior and are particularly pleased that he has demonstrated a keen interest in the important programs of the Bureau.

We are indeed proud of the Bureau. It is a relatively small organization with an enviable record resulting from the dedicated professional outdoor recreation planners, coordinators, and the very capable support staff.

Before discussing the FY 77 budget request, I would like to address several items that were specifically mentioned in the House, Senate, and Conference reports on our FY 76 budget.

#### Outdoor Recreation--Technical Assistance

The managers of the House and Senate specified that the Bureau should not use technical assistance funds to assist private recreational interests in profit making enterprises.

It seems that the Bureau's role in providing technical assistance needs some clarification. I have been assured that the Bureau has not been using public funds to assist profit making recreation enterprises. There is a substantial amount of potential recreational land held by private companies which is possible of donation to public agencies. These are lands originally acquired for manufacturing, mining, and other non-recreation purposes. The public cost is the modest staff time devoted to suggesting the donation arrangements. The result is that the public benefits through increased recreation opportunities. The technical assistance program is based upon the authority provided in Public Law 88-29, approved in 1962, which specified: "Provide technical assistance and advice to and cooperate with States, political subdivisions, and private interests, including nonprofit organizations, with respect to outdoor recreation." That, the Bureau has done in a commendable manner and the record is an excellent one. We invite your intensive scrutiny and we trust that your conclusion will be that we should be doing even more than has been done.

#### Land Acquisition by Cooperative Non-Profit Interests

The managers of the House and Senate recognized the monetary savings realized by the advance acquisition of lands by private non-profit interests in cooperation with the National Park Service, Forest Service, and the Fish and Wildlife Service. The managers also cautioned that

the agencies should not over commit themselves to land acquisition projects for which funds may not be forthcoming because the decision on funding land purchases should be made by the Congress.

We appreciate the recognition given to these non-profit interests as well as the concern. With regard to the savings, the Fish and Wildlife Service was able to acquire 291,500 acres for \$9.1 million with a saving of \$7 million--a comparison against the market value with restrictions because properties conveyed to the United States are subject to a variety of limiting conditions that destroy a substantial part of the market value. The National Park Service was able to acquire 17,915 acres for \$10.2 million with a saving of \$6.6 million; and the Forest Service was able to acquire 44,967 acres for \$7.2 million with a saving of \$467,000. The saving of approximately \$14.1 million was most beneficial. There is no agent or official relationship between the non-profit interests and the Government, and the acquisitions are within those project areas specifically authorized by the Congress. Our five-year acquisition plans are revised periodically and are on the open record. Neither the non-profit interests nor we want to pre-empt the prerogatives of Congress and they and we understand that the ultimate conveyance of the land acquired by them is contingent upon appropriations enacted by the Congress.

#### Point Reyes National Seashore, California

There was a significant add-on in the FY 76 budget by the Congress for land acquisition at Point Reyes National Seashore, California, with the expression that high priority attention be given to action which would complete the Inverness Ridge acquisitions. As soon as the Appropriation Act was approved in December, appraisals and title evidence were ordered and negotiations will begin the latter part of this fiscal year.

#### Salaries and Expenses

With regard to the Bureau's FY 77 budget, we are requesting \$6.2 million for the Bureau of Outdoor Recreation for planning and research, Federal coordination and technical assistance. This year I would like to mention that we are giving special attention to the authorized wild and scenic river studies so that all of the pertinent factors are available as decisions are made with regard to plans for the use of rivers for power generation and water supply. We are cognizant of the policy enunciated by the Congress that:

" . . . certain selected rivers of the Nation which, with their immediate environments . . . shall be preserved in free-flowing condition, and that they and their immediate environments shall be protected for the benefit and enjoyment of present and future generations."

Sound outdoor recreation policies and programs enhance the quality of our national environment and contribute materially to the happiness and well-being of our citizenry. We try to keep this in the forefront of our minds as we administer the responsibilities entrusted to us.

Land and Water Conservation Fund

The President's continued concern for the welfare of the American people is reflected in the \$300 million budget request for the Land and Water Conservation Fund in FY 77. This will make available \$175,516,000 for matching grants to the States, \$117,759,000 to the four Federal agencies that use the Land and Water Conservation Fund, and \$6,725,000 for the Bureau of Outdoor Recreation to administer the Fund.

With a funding level of \$300 million for the Land and Water Conservation Fund Program in FY 77, it is estimated that States and local government subdivisions will initiate approximately 2,500 projects for the acquisition of recreation areas and their development. These will add to approximately 15,000 grant projects which have been approved to date since the Fund was inaugurated. These have made about 1.4 million acres of recreation lands available to the public; about \$670 million has been made available for the development of recreation facilities for the use of all Americans.

The Federal portion of the program is for the acquisition of areas for recreation use and the preservation of important natural and historic areas authorized by the Congress. It contemplates the acquisition of 135,421 acres--85,852 acres for the National Park Service; 37,300 acres for the Forest Service; 8,475 acres for the Fish and Wildlife Service; and 3,794 acres for the Bureau of Land Management.

The Federal side of the Fund is most impressive. During the life of the program through June 1975, the last year for which we have completed statistics, approximately \$800 million has been divided among the principal Federal land managing agencies for purchase of nearly 1.5 million acres. If only because the Fund is the only appropriation source for National Park Service land acquisition, I would like to use the National Park Service as an example. Its land acquisition program is experiencing the heaviest workload since inception of the Land and Water Conservation Fund in 1964. With a land acquisition backlog of \$449.6 million currently authorized after considering appropriations for FY 76 and the Transition Period, it is readily apparent that the National Park Service has quite a job ahead of it to accomplish this program within the shortest period of time possible to preclude land cost escalation and further despoliation of our natural resources.

During the life of the fund through fiscal year 1975, appropriations for authorized units of the National Park Service have totaled some \$675 million which includes \$72 million for Redwood National Park. With these funds, we have acquired through purchase, donation, exchange or transfer, some 26,000 individual parcels of land adding approximately 2.1 million acres to the National Park System. During fiscal year 1975, the National Park Service was most successful in the execution of its land acquisition program, both in recently authorized areas and in the "Opportunity Inholding Program," resulting in the obligation of 99% of the funds available.

I am especially happy to report on the success of the "Opportunity Inholding Program." I credit this success with the new procedures that you facilitated by permitting immediate acceptance of "Offers to Sell" under \$150,000.

With over one year of experience in utilizing these new inholding procedures, the success of this land acquisition program is evident. Prior to introduction of these procedures the National Park Service was only obligating about an average of 73% of its inholding funds per fiscal year because of the cumbersome clearance procedures, and six-month offers to sell had to be extended as many as three times, much to the chagrin, consternation and disgust on the part of the willing seller. I am very pleased to report to you that during fiscal year 1975, 100 percent of the funds available for inholdings were obligated with approximately 80 percent being obligated by December 31, 1974. With regard to fiscal year 1976, as of December 31, all but \$2.9 million had been committed, or 81 percent of the program. I want to assure you again that all of the safeguards essential to prudent action are still in full force and effect.

As you are aware, the Acts creating Big Thicket and Big Cypress National Preserves and Cuyahoga Valley National Recreation Area specified that the acquisition program at these three areas should be substantially completed within six years. The funds requested for these areas for fiscal year 1977 will be of material assistance in fulfilling this Congressional intent.

Moreover, I am pleased to report that the National Park Service has made considerable progress at many of the other recently authorized areas. The land acquisition programs of Apostle Islands National Lakeshore, Cape Cod National Seashore, and Everglades National Park are complete except for the cases remaining in condemnation. Considerable progress also has been made at Delaware Water Gap National Recreation Area, Golden Gate National Recreation Area, Sleeping Bear Dunes National Lakeshore, Voyageurs National Park, and at several other areas.

The Bureaus are now in the process of revising their five-year acquisition plans which will reflect cost escalation to date and other pertinent factors.

Mr. Chairman, I have given rather brief treatment to the subject. Mr. Crutcher is here with several associates who will discuss the various programs in greater detail. Representatives are here from the Federal agencies participating in the Land and Water Conservation Fund program and they will be available for a discussion on their respective land acquisition budgets.

My associates and I will be happy to respond to any questions.

## INTRODUCTION OF ASSOCIATES

Secretary REED. Thank you, Senator Bellmon. It is a great pleasure to be here before you this afternoon.

On my right is John Crutcher, the new Director of the Bureau of Outdoor Recreation, and on his right Joseph Gorrell, the Deputy Director.

With me are the directors of the National Park Service, the Forest Service, Fish and Wildlife Service, and representatives from the Bureau of Land Management who will all testify during this session.

Mr. Chairman, this year I am privileged to introduce John Crutcher as the new Director of the Bureau of Outdoor Recreation. John brings broad experience with the legislative and executive branches of the Federal Government and the benefit of considerable responsible service in State government, the State of Kansas.

As a former lieutenant governor and State senator, he understands the workings of State government, and will find it easy to work with the largest constituency of the Bureau—the various State agencies with which the Bureau collaborates in outdoor recreation planning and to which it makes Land and Water Conservation grants.

## LAND AND WATER CONSERVATION FUND

The Land and Water Conservation Fund budget is of interest to a large number of persons, organizations and quite a number of Congressmen and Senators.

There had been speculation during the formulation of the budget that it might not be at the authorized funding level—the amount covered into the fund annually—of \$300 million. Suffice it to say that I am certain that the fact that the budget is at the \$300 million level is of great solace to those who expressed numerous concerns in this regard. The fund accomplishes so very much in its assistance to the States, and by providing needed land acquisition dollars to the four participating Federal agencies.

## LAND ACQUISITION AND CONVEYANCE BY NON-PROFIT INTERESTS

There was a concern expressed with regard to the utilization by the Federal agencies of non-profit interests in the acquisition of lands. There is no agent of official relationship between the non-profit interests and the Federal agencies. Furthermore, the acquisitions are within the project areas authorized by the Congress, and generally in jeopardy of development prior to the time that the Federal agency might be able to budget for their acquisition. They and we understand that the conveyance of land acquired by them is contingent upon appropriations enacted by the Congress.

I would like to mention that the latest estimate of savings occasioned by their action is approximately \$14 million. Certainly there is no intention on their or our part to preempt the prerogatives of the Congress. So far we have found them most helpful and cooperative.

## CLAIMS AGAINST THE LAND AND WATER CONSERVATION FUND

Each year I am asked by numerous members of the subcommittee and the legislative subcommittees about the authorized claims against

the Land and Water Conservation Fund. The agencies have identified an estimated \$3 billion in future acquisition opportunities. At current level of funding it would take about 25 years to complete this acquisition.

Of the \$3 billion, about \$2.3 billion is for congressionally authorized areas. The remainder is for pending legislation. The States estimated their needs to approximate \$45 billion. The fund expires in 1989, 13 years from now.

#### REPAYMENT OF ADVANCE APPROPRIATIONS

In fiscal 1977 we are repaying \$62 million to the general fund of the Treasury for the advance appropriations of \$9 million made in fiscal 1968 and \$53 million in fiscal 1969. This can be done because there is an unappropriated balance in the Fund occasioned by appropriations of less than the revenues covered into the fund, in the fiscal years 1969, 1970 and 1974. The repayment is specified in Section 5(b) of the Land and Water Conservation Fund Act of 1965, as amended. Fiscal year 1977 is the scheduled year for this action.

#### BIG CYPRESS, BIG THICKET AND CUYAHOGA VALLEY AREAS

Fiscal year 1977 also includes \$15 million for the Big Cypress National Preserve in Florida; \$9.3 million for Big Thicket National Preserve in Texas; and \$5.7 million for the Cuyahoga Valley National Recreation Area in Ohio. These three units of the National Parks System have, as part of their authorization legislation, the express intent of the Congress that the land acquisition should be substantially completed within 6 years of enactment—The 6 years run through fiscal year 1980.

#### NATIONAL PARK SERVICE OPPORTUNITY INHOLDING PROGRAM

I would like to mention our gratitude for your assistance in facilitating the "opportunity in holding program" of the National Park Service. With over 1 year experience in utilizing these new procedures that permit immediate acceptance of offers to sell under \$150,000, when all the preliminary actions have been concluded, I am pleased to report that 100 percent of the inholding funds were obligated in fiscal year 1975. Previously we had obligated on an average of 73 percent because the procedures resulted in the need to extend 6 months offers as many as three times. In fact, in the current fiscal year, as of December 31, 80 percent has been obligated, and only \$2.9 million remain for the remaining 6 months of the fiscal year.

I want to assure you again that all of the safeguards essential to prudent action are still in full force and effect. The most important result, however, is the great pleasure and satisfaction on the part of the willing sellers.

Mr. Chairman, I have been very brief. Mr. Crutcher is here with several associates who will discuss the various programs of the Bureau, as well as the fiscal 1977 land acquisition plans of the participating agencies. We will be pleased to respond to any of your questions.

## FEDERAL LAND ACQUISITION BACKLOG

Senator BELLMON. Thank you, Mr. Secretary. In your statement you touched briefly on the Federal land acquisition backlog for authorized areas. This amounts to some \$2.3 billion. Can you expand on that statement? What is the backlog by agency currently authorized and likely to be authorized in the near future?

Secretary REED. The totals I have in specific, the Park Service has in congressionally authorized areas a backlog of \$530 million. In pending legislation and in legislation which has, in our opinion, a good chance of passage, an additional \$400 million, for a total of \$930 million.

Forest Service, in the broad outlines of the national forests, there is contained \$1.5 billion worth of land within their authorized boundaries which has not been acquired. Forty million dollars on top of that is in pending legislation, for a total of \$1.54 billion.

Fish and Wildlife Service, congressionally authorized, \$265 million; pending legislation \$185 million; total \$450 million.

BLM, \$8 million in congressionally authorized, \$15 million pending legislation, total \$23 million.

Senator BELLMON. Mr. Secretary, if you total those up, you come to well over \$2 billion.

Secretary REED. Yes, sir, approaching \$3 billion.

Senator BELLMON. At the rate we are going, how long will it take to complete these acquisitions?

Secretary REED. A minimum of 25 years, at the present level of funding.

## INCREASED LAND COSTS

Senator BELLMON. Each year that land costs more or less?

Secretary REED. It costs more, sir, as inflation continues and land appreciates in value.

Senator BELLMON. Do you have any figures on how rapidly the cost of land acquisition is going up?

Secretary REED. Yes, sir. We have an acquisition level over the last 5 years showing the increase in raw land costs which we would be delighted to furnish to the Committee.

It has slowed at this time, and this is a marvelous moment for land acquisition. You will note in our inholding program, the sellers have been more than willing to cash in their land and I think if we keep the fund at its present high level we will be able to get some very good bargains at this time.

Senator BELLMON. Do you consider the present level to be high? I understand there is only about \$120 million available a year for Federal land acquisition.

Secretary REED. That was the original breakdown of the fund, \$180 million, or 60 percent to the states and local communities, \$120 million, or 40 percent to pay for the Federal lands. I think probably it is safe to say that at the time of the passage of the original Land and Water Conservation Fund Act, it was probably hard for Congress to visualize the rate of increase in escalating land prices.

## PUBLIC INTEREST IN FEDERAL LAND ACQUISITION

I think it was difficult also to foresee the great interest in the country in the Federal program. I think that 20 years have shown us the authorization of many new park areas. There is a tremendous interest in acquiring the inholdings of authorized national forests, land for rare and endangered species for the Fish and Wildlife Service and inholdings within the National Park Service authorized areas. It has become a tremendous national issue, which at the time of passage of the act might not have been fully anticipated.

## INCREASED LAND COSTS

Land price escalation has a significant impact on the Land and Water Conservation Fund. For example, the farm/real estate market reports by the Economic Research Service, of the U.S. Department of Agriculture, indicates the buying power of the 1975 dollar is only 57 percent of the buying power of the 1971 dollar. Therefore, only 57 percent as much land could be purchased in 1975 as could be purchased in 1971 for the same dollar investment.

Land prices I am sure will continue to escalate, as we get out of this temporary recession.

Senator BELLMON. It is unrealistic, then, to expect that if appropriations for this fund remain at the present level you could acquire this land in 25 years. We are probably talking about 50 years.

Secretary REED. I think that is a safe assumption.

## EXPANSION OF LAND AND WATER CONSERVATION FUND

Senator BELLMON. At some point in time we are going to have to put in more money or be willing to accept a greatly stretched out completion date.

Secretary REED. Of course, the Senate has passed a very enlarged Land and Water Conservation Fund and the House has reported a bill out of committee—one that we have had a close look at and think a lot of. It has the benefit of going up in certain incremental jumps, rather than a tremendous immediate jump. I think from the Administration's point of view—although the Administration has not taken a position at this time, on the two differing bills for an increased Land and Water Conservation Fund, the preference would be for going up in stages rather than going from \$300 million to a billion dollars in a 1-year time frame.

I think all of us recognize that an expanded Land and Water Conservation Fund, to provide additional assistance to the States and to accelerate federal land acquisition for recreation and preservation purposes is definitely needed.

Senator BELLMON. Will the Administration have a proposal for an accelerated program?

Secretary REED. I think it will probably wait until the House bill passes. I hope by that time the conferees of the Senate and the House will have a position of the Administration for their consideration.

Senator BELLMON. Do you have any projections as to what annual funding level would be necessary to complete Federal land acquisition now authorized and expected to be authorized, say, by the end of 10 years?

Secretary REED. I have not run out a band on that, Senator Bellmon. I have done an awful lot of estimating over the last 5 years and I think it is safe to say that if the Federal side were in the neighborhood of \$200 to \$250 million a year, that most of the land could be acquired within the life of the Land and Water Conservation Fund Act of 1965, as amended. I don't think the Forest Service or the Park Service, the two big Federal users of the fund, need to add a great deal of manpower to their land acquisition teams to accommodate an accelerated program.

With their existing manpower, I am of the opinion that they could handle a great deal more acquisition. That is what we have been trying to develop with them—with existing manpower what kind of levels could you handle.

Both the Forest Service and the Park Service have indicated that they could handle a much higher level of funding.

#### BIG CYPRESS, BIG THICKET, AND CUYAHOGA VALLEY AREAS

Senator BELLMON. To change the subject for a moment, judging by the figures submitted last year, the three new areas with a 6-year acquisition directive in their authorizations—Big Cypress, Big Thicket and Cuyahoga Valley—would need some \$217 million more to complete. Even if the Park Service's full 1977 request is granted, without a major expansion of the Land and Water Conservation Fund, is it realistic to expect that more can be accomplished without neglecting other priority areas of the Park System?

Secretary REED. I owe this committee and the House committee a report on that question. My answer is presently under review at OMB and I am hoping that OMB will clear it promptly for submission to the Appropriations and Legislative Committees.

My honest answer is that I do not think we can make it in the 6-year time frame, without hurting a rounded program across the country.

I think we would put the money in those three areas at the expense of numerous other authorized areas. I think it is reasonable to expect that we could acquire them in 8 years without such a deferral. If the Congress wants to acquire—absolutely insists that it is the strong intent of Congress to do it in 6, I am going to obey that to the letter of the law, Mr. Chairman. I would point out to you, however, that there is a lot of money in the unappropriated balance in the Fund.

There is \$184,547,000 in the Fund over and above the \$300 million that is proposed for appropriation in fiscal year 1977. This assumes the repayment to the General Fund of the \$62 million that was appropriated under the advance authority provision of the Act.

But if you say you want to accomplish those three purchases in the 6 years, I hope to be able to respond that I can do it, but it will affect land purchase elsewhere, badly.

I am not going to recommend that. I am going to recommend 8 years.

Senator BELLMON. Our options, then, ought to go to a longer period of time, put up more money or sacrifice other areas?

Secretary REED. I think that is very succinct, Mr. Chairman.

Senator BELLMON. Your recommendation would be to go to the 8-year period?

Secretary REED. At the same time I did point out there is \$184,547,000 in the unappropriated balance.

Senator BELLMON. Which can be used for those three projects.

Secretary REED. I am not sure OMB would give me a green light to say that it would be, but I would certainly point out to you that it sits there.

Senator BELLMON. Is the problem, then, with OMB?

Secretary REED. No, sir. However, I have not been able to ask for that additional money. The Congress took the first step of looking at that unappropriated balance last year when it appropriated money in excess of the full \$300 million in the second supplemental for fiscal year 1975, and in our regular fiscal year 1976 appropriation.

The President is very serious about holding the line on expenditures this year. I think that is something that we all are desperately trying to get to do—hold down our level of expenditure.

However, in the next four years during the six-year time frame of those three projects, it may be advisable to go beyond the \$300 million a year or two to substantially complete Big Thicket, Big Cypress and Cuyahoga with some of that money that is available and unappropriated at this time.

Senator BELLMON. It sounds like you have been talking to Mr. Lynn. He wants to put off spending until after election; is that your approach?

Secretary REED. Mr. Lynn is closer than I am to the President and to the Administration's line. He has asked the Assistant Secretaries who are testifying to honestly state where our needs are, and to honestly point out fiscal problems.

At the same time I think they are holding pretty tight rein as to the level of expenditures this year. They are trying to hold it within a decent range.

#### STAFFING ADEQUACY

Senator BELLMON. Mr. Secretary, I commend you and Secretary Kleppe for your successful efforts to gain Presidential approval for full funding of the Land and Water Conservation Fund. The question now is, are you satisfied that the Federal agencies are sufficiently staffed to administer the State assistance and Federal programs of the Fund? Do you have a request for adequate staffing in this budget?

Secretary REED. I am satisfied that my two agencies—the National Park Service and the Fish and Wildlife Service—have the capacity to spend the amount in the fiscal year 1977 budget.

I will have to ask the Chief of the Forest Service to speak for himself, but I had been advised previously that they have a capacity to spend all of the Federal money, plus an additional sum every year without additional manpower.

For Big Thicket we did contract with the Corps of Engineers to do the land acquisition for the National Park Service because we were under this very, very short time frame of 6 years to substantially conclude all purchases there.

But I have been after the Park Service to get more bang for their buck and more bang for their manpower. I am of the opinion that we should not increase the manpower significantly, but we should be able to get more land for the manpower we already have.

I think there is general agreement now that we can handle a great deal more land with the manpower we have.

#### REPAYMENT OF ADVANCE APPROPRIATIONS

Senator BELLMON. We noted in your budget the proposed transfer of \$62.1 million from the Fund's unappropriated balance to the general treasury fund to repay earlier advances.

Who made the decision to transfer those funds at this time?

Secretary REED. It is required by statute, Mr. Chairman, unless otherwise provided by the Congress. Let me refer to my earlier remarks on this. I go back to my statement and say "In fiscal year 1977, we are repaying \$62 million to the general fund of the Treasury for the advance appropriations of \$9 million made in fiscal year 1968 and \$53 million in fiscal year 1969."

Mr. Chairman, the \$9 million was for miscellaneous land acquisition for the National Park Service. The \$53 million in fiscal 1969 was for the Redwood National Park. Section 5(b) of the Land and Water Conservation Fund Act requires this repayment of prior appropriation advancements.

Senator BELLMON. Mr. Secretary, when you have an opportunity to look into the matter, if you have a different conclusion, we would appreciate it.

What you are saying is that you did what the law required you to do?

Secretary REED. Exactly, sir.

Senator BELLMON. The transfer is authorized, but the final decision to make the transfer rests with the Congress as I understand it.

Secretary REED. Absolutely, sir.

Senator BELLMON. Can you tell us why we should not turn down this transfer? Do you feel that it is that important?

Secretary REED. The Congress appropriates.

Senator BELLMON. So it is up to us?

Secretary REED. Yes, sir.

Senator BELLMON. You have no arguments either way?

Secretary REED. Maybe if I were Secretary of the Treasury I might. But I think that is a matter of the discretion of the Congress.

#### FOREST SERVICE PROGRAM LEVELS

Senator BELLMON. Of the four agencies with land acquisition requests from the Land and Water Conservation Fund, the Forest Service seems to be taking the heaviest cut from 1976 spending levels. Why is this?

Secretary REED. I have a Land Planning Group, made up of representatives from BOR and the Forest Service, Park Service, Fish and Wildlife Service, and BLM, who go very carefully over the land acquisition needs. Last year's budget request for the Forest Service was \$29,980,000. There was a significant addition of \$7 million by the Congress for the Forest Service, and \$36,980,000 was the ap-

propriated Forest Service figure for fiscal year 1976. This year it is proposed to be \$29,961,000 or approximately the same program level as proposed in last year's President's budget. There was also an add-on by the Congress last year, for the National Park Service, of \$208,000 for fiscal year 1976 and \$1.5 million for the transition period.

I would reflect, Senator Bellmon, that 5 years ago, when I became Assistant Secretary, the Forest Service portion was running at \$12 or \$14 million a year. In 1969 it was \$12 million; in 1970, \$13 million; in 1971, \$39 million; in 1972 it went to \$29 million; \$29 million in 1973; \$3 million in 1974; in 1975 back to \$30 million; and our proposal for fiscal year 1977 is \$29,961,000. This is a good record. That is not to say, Senator, that Chief McGuire and his excellent crew can't handle more. I will reiterate the fact that they have an ability to handle a larger amount.

Senator BELLMON. Are we making progress in the reforestation of large areas that are presently in a neglected state?

Secretary REED. This money is not used for reforestation. That is a different account. This money is being used to buy recently authorized areas and inholdings within authorized boundaries of national forests for land.

Senator BELLMON. But are we making progress?

Secretary REED. I will have to have the Chief answer that, because I am not able to, sir.

Senator STEVENS [presiding]. Do you have specific questions, Senator?

Senator BELLMON. The questions I have are for the Bureau of Outdoor Recreation. I can hold them for a time.

Senator STEVENS. I understand that we are just about finished with the general questions. Are you going to remain, Mr. Secretary?

Secretary REED. Yes, indeed, Senator Stevens.

Senator STEVENS. I understand the Chief has to leave. If we may, let us turn to the Forest Service, and go into the general questions there. Mr. Secretary, I do have some questions—

Secretary REED. I will stay right here.

FOREST SERVICE

LAND ACQUISITION

STATEMENT OF JOHN R. McGUIRE, CHIEF

ACCOMPANIED BY:

RUSSELL P. McROREY, ASSOCIATE DEPUTY CHIEF, NATIONAL  
FOREST SYSTEM

GERALD W. VAN GILST, DIRECTOR, LANDS

WILLIAM A. CAMPBELL, DIRECTOR, PROGRAM DEVELOPMENT  
AND BUDGET

WILLIAM T. TOBIN, STAFF ASSISTANT, LANDS STAFF UNIT

PREPARED STATEMENT

Senator STEVENS. We will turn to the Forest Service. The fiscal 1977 request for Forest Service land acquisition totals \$29.9 million, which is about \$7 million under the 1976 appropriation.

Chief McGuire, could you please introduce your associates and highlight your statement? We will put the full statement in the record—that of yours and your colleagues.

[The statement follows:]

Mr. Chairman and Members of the Committee, we are pleased to have the opportunity to appear and discuss with you our portion of the 1977 Land and Water Conservation budget.

Public outdoor recreation plays an important role in multiple use management of National Forest System lands. Recreation use of the National Forest System reached an estimated new high of 201 million visitor-days during calendar year 1975. Public use has increased 4,600,000 visitor-days annually over the past five years and it appears that this progression will continue.

The demands on existing public use areas and the need to provide for expanding use continues to concern us. It should be stressed that, particularly in the Eastern United States, many of the best recreation sites remain in private ownership. This is the result of the early land acquisition efforts under the Weeks Act to acquire those lands that were denuded and in need of rehabilitation rather than acquiring more expensive bottomland areas or those that were then in operating farm units. Agricultural innovations and changing markets have resulted in a majority of those agriculture lands becoming submarginal for farming purposes. These are the same lands which today frequently have the highest potential for public recreation use and development. These sites provide the best opportunity to meet increasing needs for public recreation, generally will accommodate more people per acre, and are less costly to develop. In many cases the private lands complement existing National Forest lands and are needed to provide a complete outdoor recreation experience for the using public. Frequently these private lands provide immediate recreation opportunities such as hunting, fishing, and general enjoyment of a forest atmosphere without relying on development of intensive use facilities.

The means for acquisition of quality recreation lands to meet growing demands has been provided by the Land and Water Conservation Fund Act. Since 1966 when funding was provided under the Act, we have acquired, or placed under contract to acquire, nearly 820,000 acres of recreation lands within the National Forest System. With the moneys available this fiscal year and the transition quarter, we anticipate that acquisitions will approach 900,000 acres.

In developing the 1977 recommended program we have considered the need to proceed as rapidly as possible to purchase lands in recently authorized areas and other areas of special significance.

The request includes \$11,140,000 for National Recreation Areas, \$3,620,000 for the National Trails System and associated lands, \$2,000,000 for Wilderness and Primitive Area acquisition, \$536,000 for the Cascade Head Scenic Research Area in Oregon, \$3,300,000 for the Lake Tahoe Area in California and Nevada, \$3,552,000 for deficiency awards and inholdings, and \$5,813,000 for purchases within the six National Wild and Scenic Rivers administered by the Forest Service.

Through an oversight the amount of \$1,539,000 requested for the Chattooga River in North Carolina, South Carolina and Georgia, together with previous amounts appropriated, will exceed the \$2 million appropriation authorization for that river, by \$667,000. It is our recommendation that the dollars requested remain in the Wild and Scenic Rivers category and be distributed to the Rogue River in Oregon, the Clearwater River in Idaho, and the Feather River in California.

Mr. Chairman, this concludes my opening remarks. I would be pleased to answer any questions you might have or furnish whatever additional information you desire.

## MONONGAHELA PROJECT

Chief McGUIRE. Thank you very much, Mr. Chairman.

With me is Mr. Russell McRorey, Associate Deputy Chief of the National Forest System, and Mr. Gerry Van Gilst, Director of our Lands Staff.

I appreciate your taking me ahead of time today. The original reason I had to leave was that I was going to go out of town. Now the reason is that I think we are going to make a little progress this afternoon, on the Monongahela project and I felt that was a fairly high priority.

Senator STEVENS. That is a No. 1 priority.

Chief McGUIRE. We are very pleased to have the opportunity to appear. To brief my statement, recreation use of the National Forest System reached a new high of about 200 million visits a day during calendar year 1975.

My statement goes into some of the history of recreation use of these lands and their acquisition. We have been acquiring substantial amounts of land with monies appropriated in the Land and Water Conservation Fund.

Since 1966 we have acquired or placed under contract to acquire nearly 820,000 acres. With the money available this fiscal year and the transition quarter, we anticipate that the total will approach 900,000 acres.

In developing the 1977 program, we have considered the need to proceed as rapidly as possible to purchase lands in recently authorized areas and other areas of special significance.

The request includes \$11,140,000 for National Recreation Areas, \$3,620,000 for the National Trails System and associated lands, \$2 million for wilderness and primitive area acquisition, \$536,000 for the Cascade Head Scenic Research Area in Oregon, \$3,300,000 for Lake Tahoe and \$3,552,000 for deficiency awards and inholdings, and \$5,813,000 for purchases within the Wild and Scenic Rivers administered by the Forest Service.

Mr. Chairman, I believe that briefs my statement.

## MONONGAHELA COURT CASE

Senator STEVENS. For the record, Chief, could you give us a statement of where we stand on the Monongahela case and clear-cutting program and what cost factors you might see associated with the changes that will be coming as a result of the court decisions?

Chief McGUIRE. As a result of the Monongahela decision we originally contemplated only a hold-down in new sales offerings since that position was directed only at new sales.

We estimated that nationwide this would be a reduction of about half of our total sales program. The recent decision in Alaska, however, appears to have challenged existing sales.

We do not have the court's order in this case, so we do not know exactly how far the court will order us to go. But, if this decision were to proceed through the various fields and were to apply nationwide, it would affect about 30 billion board feet of timber under contract and not yet harvested.

We are hopeful that in the next day or so we will reach an Administration position on the remedy for this situation.

Senator STEVENS. It is my understanding that any remedy would require increased manpower, as far as the Forest Service is concerned, because of the requirement to have additional cruising and marketing of the potential land for cut, and this could have a sizeable budgetary impact.

I think this committee, in particular, ought to know where we stand, and whether there is any potential for increased requests here in this fiscal year, or downstream, as far as changes that would be brought about because of either the court decision or a change in the organic act.

Chief MCGUIRE. If there is a change in the legislative authority, and assuming it is a favorable change, we could have authority to proceed with the status quo. We would not need additional money or to change our procedures.

On the other hand, if there is no legislative remedy and the Monongahela decision has to be applied nationwide, there would be very substantial increases in cost, because all the trees could not be sold and we would have to re-do many of our timber sales.

We are now trying to make an estimate of what the cost would be. We do not have it finished yet, but we will have it at the time of our regular appropriations hearings.

#### LAND ACQUISITION BACKLOG

Senator STEVENS. Your justification points out that some \$1.5 billion in future acquisition opportunities have been identified by the Forest Service. At the current rate of spending, that would take you 50 years. What kind of opportunities are these, and how many are specifically authorized?

Mr. MCGUIRE. The backlog represents purchase opportunities of high quality recreation land throughout the National Forest System. For the most part the purchases will be on a willing-seller basis. Acquisition by condemnation is not the rule, but rather the exception. We believe that, unless special circumstances are involved, properties should be acquired from private landowners through voluntary negotiations. At this time, in most areas, there are many alternative comparable tracts of land available for purchase that will serve the needs of the recreation-using public without resorting to condemnation.

The areas administered by the Forest Service and specifically authorized by the Congress consist of National Recreation Areas, National Wild and Scenic Rivers, Lake Tahoe Basin, National Trails System, Cascade Head Scenic-Research Area, and Wilderness and Primitive areas. The Congress has recognized these areas as possessing outstanding combinations of outdoor recreation opportunities, esthetic attractions, and a potential for accommodating present and future public recreation use. These have been established by various Acts of the Congress which authorize the Secretary of Agriculture to administer the areas. The Congress, in directing management of the specifically authorized areas, also provided authority to acquire private lands within the areas in order to carry out the management objectives.

Senator STEVENS. Please supply a listing for the record similar to the one provided last year.

Mr. MCGUIRE. We will be glad to do that, sir.

[The information follows:]

#### ACQUISITION BACKLOG

Estimate of land acquisition needs to complete the areas follows:

National Wild and Scenic Rivers (6) .....	\$12,800,000
Nationwide Trails (2) .....	16,910,000
National Recreation Areas:	
Flaming Gorge (Utah and Wyoming) .....	500,000
Mount Rogers (Virginia) .....	10,000,000
Oregon Dunes (Oregon) .....	3,250,000
Sawtooth (Idaho) .....	30,900,000
Spruce Knob-Seneca Rocks (West Virginia) .....	7,500,000
Wilderness and Primitive (104) .....	230,000,000
Lake Tahoe Basin (California and Nevada) .....	46,200,000
Cascade Head Scenic-Research Area (Oregon) .....	3,500,000
Total .....	361,560,000

In addition to those areas specifically authorized by the Congress, other areas within the National Forest Systems have been designated in recreation composite planning. The purpose of the recreation composite program, developed by the Forest Service and the Bureau of Outdoor Recreation, is to identify needed outdoor recreation opportunities within National Forest boundaries for concentrated priority land purchases, using moneys provided under the Land and Water Conservation Fund Act. There are many private tracts located individually or in groups that possess outstanding outdoor recreation attributes for public use purposes. The current estimate of land acquisition needed in areas other than those specifically authorized by Acts of Congress is \$1.2 billion.

#### RECREATION AREAS

Senator STEVENS. Some \$11 million, or 37 percent, of your request is for national recreation areas authorized by Congress. Why are no funds requested for designated areas?

Mr. MCGUIRE. No funds are proposed for designated areas because in developing the final program based on budget allowances for fiscal year 1977 we have recognized the need to proceed as rapidly as possible to acquire the needed lands within areas specifically authorized by acts of Congress. Except for the \$3,552,000 proposed for deficiency awards in condemnations, the proposed program includes moneys only for purchases in newly authorized areas.

Senator STEVENS. What are your needs for designated recreation areas and for overall recreation land acquisition?

Mr. MCGUIRE. In addition to the 250,000 acres needed to be acquired within areas currently authorized by acts of Congress, there is an estimated 2,850,000 acres of high quality recreation land now in private ownership within the National Forest System that needs to be acquired for public use purposes.

#### TRAILS AND RIVERS

Senator STEVENS. Your request contains \$3.6 million for national trails and \$5.8 million for wild and scenic rivers. How far along are you on your acquisition programs for these areas?

Mr. MCGUIRE. The identified acquisition needs of lands or interest in lands for the six National Wild and Scenic Rivers administered by the Forest Service was 31 percent completed on January 1, 1976. Acquisition of the rights-of-way and associated lands needed for the Appalachian and Pacific Crest Trails was 36 percent completed on January 1, 1976.

Senator STEVENS. Please supply your estimates for the record on the balance to acquire rivers and trails in terms of dollars and acres by unit.

Mr. MCGUIRE. We will be glad to do that, sir.  
[The information follows:]

#### WILD AND SCENIC RIVER ACQUISITION

Land acquisition for the National Wild and Scenic Rivers will consist of purchases in fee and partial interests. Summary of needs to complete the program follows:

National Wild and Scenic Rivers	Acres	Amount
Clearwater (Idaho) .....	4,172	\$1,040,000
Rogue (Oregon) .....	1,031	2,687,000
Eleven Point (Missouri) .....	7,724	2,000,000
Salmon (Idaho) .....	750	1,300,000
Feather (California) .....	8,457	3,035,500
Chattooga (North Carolina, South Carolina, and Georgia) .....	1,795	4,072,000
Total .....	23,929	14,134,500

Land acquisition for the National Trails System will consist of purchases in fee of whole tracts to accommodate public use associated with use of the trail, protection of the scenic corridor, and rights-of-way within the trail boundaries. Summary of needs to complete the program follows:

National Trails System	Miles	Amount
Appalachian Trail .....	104	\$9,800,000
Pacific Crest Trail .....	171	3,500,000
Total .....	275	13,300,000

#### LAKE TAHOE

Senator STEVENS. Tell us about the \$3.3 million required for Lake Tahoe. What kind of lands would you acquire there, where are they, and what's the total acreage?

Mr. MCGUIRE. Of the \$3.3 million requested for land purchases within the Tahoe Basin, \$2.2 million is anticipated for the California area and the remaining \$1.1 million for Nevada. Based on past accomplishments, it is estimated that about 840 acres of high quality recreation lands will be purchased.

#### CASCADE HEAD SCENIC-RESEARCH AREA

Senator STEVENS. What's the Cascade Head Scenic-Research Area, and what's involved in the proposed \$536,000 purchase there?

Mr. MCGUIRE. The Cascade Head Scenic-Research Area, along the Pacific Ocean in Oregon was established to provide present and future generations with the use and enjoyment of certain ocean headlands, rivers, streams, estuaries, and forested areas, to ensure the protection and encourage the study of significant areas for research and scientific purposes, and to promote a more sensitive relationship between man and his adjacent environment. The area includes a total of 9,670 acres, of which 5,045 acres are in private ownership.

One of the objectives of the law establishing the area is to assure that use of the land remains substantially the same as it was on June 1, 1974. All landowners are required to notify the Forest Service of any contemplated change in use that would substantially alter the manner of use as it existed on June 1, 1974. In the event that such changes in use occur or are contemplated, the land is subject to acquisition through condemnation. In addition, within the estuary and associated wetlands subarea, land or interest in land may be acquired without the consent of the owner or owners at any time, after public hearing.

The \$536,000 proposed in this budget will continue the program to acquire the needed land within the area and, in part, provide assurance that the Forest Service can move promptly to acquire the type lands described. We estimate that the program proposal will enable the Forest Service to acquire about 660 acres within the area.

#### UNOBLIGATED BALANCE

Senator STEVENS. What is your unobligated balance to date for fiscal 1976?

Mr. McGUIRE. As of January 31, 1976, the unobligated balance was \$28.6 million.

Senator STEVENS. Do you estimate any carryover after September 30?

Mr. McGUIRE. At the present time we do not anticipate any carryover after September 30, 1976.

#### INHOLDINGS

Senator STEVENS. Under funds available in the current year and requested for fiscal year 1977 for deficiencies and inholdings, how much do you estimate will be available for inholding purchase?

Mr. McGUIRE. We do not anticipate that any of the deficiencies and inholdings money will be used to acquire inholdings. All of the money in this category appropriated in fiscal year 1976 was used for deficiencies. There is now an outstanding court award for one case that will require all of the money appropriated for the transition quarter of July 1 through September 30, 1976. It is anticipated that the amount requested for fiscal year 1977 will be used to satisfy settlement offers and court awards.

#### WILDERNESS

Senator STEVENS. Where do you intend to use the \$2 million requested for wilderness and primitive areas?

Mr. McGUIRE. We anticipate that the \$2 million requested will be used primarily to purchase properties as offers to sell are made.

Senator STEVENS. Is that an opportunity purchase program?

Mr. McGUIRE. The Wilderness and Primitive Area purchase program is on an opportunity basis. The Forest Service is without condemnation authority in all the wilderness areas except those newly authorized in the Eastern United States.

Senator STEVENS. Please give us details for the record on where you stand and how far you have to go on wilderness and primitive area acquisition.

Mr. McGUIRE. We will do that, sir.

[The information follows:]

The total acreage within the 85 wilderness areas and 19 primitive areas is 15,333,995. Of this amount 412,263 acres are not owned by the United States. However there is in excess of 281,000 acres of this amount within the Boundary Waters Canoe Area in Minnesota. Legislation to increase the authorization in this area is now being considered by the Congress. We estimate a need to acquire about 156,000 acres within wilderness and primitive areas at a total cost of \$230 million. This includes about 20,000 acres within the Boundary Waters Canoe Area.

#### PRIORITIES

Senator STEVENS. Last year at the committee's request you provided a tabulation of the land purchases you would want to make if an additional \$25 million were available. Please update that listing and supply it for the record. This time please indicate what type of purchase is involved—recreation, wilderness, trails, scenic rivers, and so forth.

Mr. MCGUIRE. We will be glad to do that, sir.

[The information follows:]

CONGRESSIONALLY AUTHORIZED AREAS

<u>State--Unit</u>	<u>Amount</u> <u>(in thousands)</u>
Idaho	
Sawtooth National Recreation Area .....	\$1,954
Hells Canyon National Recreation Area .....	2,000
Oregon	
Cascade Head Scenic-Research Area .....	1,100
Oregon Dunes National Recreation Area .....	115
Wilderness and Primitive Areas (opportunity purchases) .....	2,000
<u>NATIONAL FOREST RECREATION COMPOSITES</u>	
<u>State--Unit--Composites</u>	
Alabama	
Talladega N.F.--Talladega Scenic Drive .....	200
Arizona	
Coconino N.F.--Oak Creek Canyon .....	300
Coronado N.F.--Santa Catalina .....	200
California	
Angeles N.F.--	
Big Tujunga .....	150
Mt. Baldy .....	250
Cleveland N.F.--Laguna .....	500
Los Padres N.F.--Pacific Valley .....	750
Colorado	
Arapaho-Roosevelt N.F.--	
Meadow Creek .....	600
Indian Peaks .....	100
Routt N.F.--Troublesome .....	250
Pike-San Isabel N.F.--	
Greenhorn Drive .....	160
Lake Isabel .....	170
Buffalo Creek .....	300
Illinois	
Shawnee N.F.--	
Kinkaid Lake .....	100
Dutchman Lake .....	100
Saline Springs .....	100
Indiana	
Hoosier N.F.--	
Anderson River .....	200
Middle Fork Anderson River .....	200
Monroe Reservoir .....	150
Little Blue River .....	100
Kentucky	
Daniel Boone N.F.--Cumberland River .....	500

<u>State--Unit--Composites</u>	<u>Amount (in thousands)</u>
<b>Michigan</b>	
Hiawatha N.F.--	
Indian River .....	\$300
Au Train .....	100
Huron-Manistee N.F.--	
Pere Marquette .....	600
Manistee River .....	200
Ottawa N.F.--	
Lake Superior .....	100
Sturgeon River .....	200
<b>Minnesota</b>	
Chippewa N.F.--	
Leech Lake .....	100
Marcell .....	200
Cass Lake .....	100
Superior N.F.--Boundary Waters Canoe Area perimeter .....	100
<b>Montana</b>	
Gallatin N.F.--Gallatin .....	400
Lolo N.F.--Rock Creek .....	200
<b>New Hampshire</b>	
White Mountain N.F.--	
Kancamagus Highway .....	100
Diana's Bath .....	100
<b>New Mexico</b>	
Cibola N.F.--Sandia .....	700
Santa Fe N.F.--	
Pecos .....	200
Nacimiento-Las Vacas .....	300
<b>Ohio</b>	
Wayne N.F.--	
Buckhorn-Phillips Knob .....	100
Blackfork Wetlands .....	100
<b>Pennsylvania</b>	
Allegheny N.F.--Allegheny River .....	200
<b>South Carolina</b>	
Sumter N.F.--Long Cane .....	100
<b>South Dakota</b>	
Black Hills N.F.--Spearfish Canyon .....	125
<b>Vermont</b>	
Green Mountain N.F.--	
Meadows .....	600
Greenway .....	100
Long Trail .....	100
<b>Virginia</b>	
George Washington N.F.--Massanutten .....	400
<b>Washington</b>	
Wenatchee N.F.--Chelan .....	170

<u>State--Unit--Composites</u>	<u>Amount (in thousands)</u>
Wisconsin	
Chequamegon N.F.--	
Lakes .....	\$100
South Fork Flambeau .....	100
Nicolet N.F.--	
Wild Rivers .....	100
Big Lakes .....	100
Wyoming	
Bighorn N.F.--Tongue River .....	900
Michigan	
Manistee-Au Sable River .....	4,000
Deficiencies and inholdings .....	<u>1,156</u>
Total .....	25,000

## PROGRAM CAPABILITY

Senator STEVENS. Could the Forest Service handle a \$75 million program in fiscal year 1977? If not, what is your estimate of organizational capabilities for accomplishing a purchase program in excess of the \$30 million requested?

Mr. MCGUIRE. The Forest Service could not handle a \$75 million program in fiscal year 1977 with the current trained personnel. However, with the existing land acquisition organization, the Forest Service could accomplish a \$55 million program if the additional moneys were available primarily for acquisition within the recreation composite area.

## CHATTOOGA RIVER

Senator STEVENS. I have noted your statement that the request for the Chattooga River exceeds the authorization ceiling. How would you distribute the \$667,000 excess among the other three rivers you mentioned?

Mr. MCGUIRE. We would recommend a distribution of an additional \$76,000 to the Clearwater River in Idaho, \$487,000 to the Rogue River in Oregon, and the remaining \$104,000 to the Feather River in California.

Senator STEVENS. What is your current estimate of additional ceiling needed for the Chattooga River and other rivers that might need additions?

Mr. MCGUIRE. The current estimate of additional ceiling needed to complete the acquisition program within the Chattooga River is \$3.2 million, within the Salmon River, \$600,000, and within the Rogue River, \$1.7 million.

## ROGUE RIVER

Senator STEVENS. Both Forest Service and Bureau of Land Management are acquiring land on the Rogue River. How is this program being managed and coordinated?

Mr. MCGUIRE. A coordinated plan for management of the Rogue River was prepared jointly by the Bureau of Land Management and the Forest Service. The two agencies enjoy a cooperative working relationship in the land acquisition program and other management activities. On-the-ground meetings are held periodically to discuss problems and opportunities in administration of the sections of the river under each agency's responsibility.

Senator STEVENS. Senator Bellmon, do you have any questions of Chief McGuire?

Senator BELLMON. Mr. Chairman, I have a short statement and I would like to ask Mr. Crutcher if I could—

Senator STEVENS. I mean for the Chief. He and his people are about to leave.

Senator BELLMON. No, I do not.

Senator STEVENS. Chief, we appreciate your presentation and responses.

Chief MCGUIRE. Thank you, Mr. Chairman. Mr. McRorey and Mr. Van Gilst can stay if something comes up.

## BUREAU OF OUTDOOR RECREATION

Senator STEVENS. Thank you very much. We will now turn to the questions that you have, Senator Bellmon.

Senator BELLMON. Mr. Chairman, thank you very much. I need to be at another committee meeting at two, so I will be very brief.

## ILLINOIS WILD AND SCENIC RIVER STUDY

Before I ask my questions I would like to compliment Mr. Crutcher and the Bureau of Outdoor Recreation for their assistance and interest in the Illinois River Wild and Scenic Study which is taking place presently.

Recently the Bureau of Outdoor Recreation was helpful to our office as well as local citizens in the areas of the Illinois River in forming an advisory council which is to work with the BOR in developing a Wild and Scenic River Study of the Illinois River, so that the local voices will be heard, and local participation will be had.

I understand this advisory panel has already met with the study team from Albuquerque, and the intended purpose is already underway.

Mr. Chairman, I believe the Bureau is to be commended for its action in this regard, and I hope it is a policy that will be followed nationwide.

I want, personally, to offer my congratulations to the Bureau for its prompt efforts to form this advisory panel. Local citizens are also appreciative of the Bureau's assistance in creating this panel, as they will now have the necessary representation to the study team so that they will know what is happening to this important river.

Mr. CRUTCHER. Thank you very much, Senator Bellmon. I was in Oklahoma and I went out to visit with Chris Delaporte and his staff out there. They gave us the transcript of meetings we had out there with people along the Illinois River.

There was a great deal of information passed back and forth between the local citizens and our staff, and I think it was quite helpful. I appreciate your remarks very much and I want to tell you that it is our policy to have that sort of rapport with local people all across the land where we get involved in wild and scenic river studies. We think we owe that to them.

Senator BELLMON. As I am sure you are aware, that is an extremely controversial matter in that part of the state.

Mr. CRUTCHER. Very, very much. There were a lot of heated remarks passed back and forth, but we do believe we were able to shed more light and less heat on the subject, and I think it was very useful to have our staff there.

## ADEQUACY OF STATE GRANTS BUDGET REQUEST

Senator BELLMON. Mr. Crutcher, I understand that the budget request of the Bureau for assistance to the State of Oklahoma from the Land and Water Conservation Fund is for \$2.4 million. This is a reduction of \$45,000 from fiscal year 1976.

In your opinion, is the fiscal 1977 budget request adequate for the parks and projects currently under way, not only Oklahoma, but generally across the country?

Mr. CRUTCHER. I think some States, perhaps most States, could use more money, but by and large I think this is adequate, especially so in light of the critical nature of the Federal budget at the moment. Actually we are funded at a static level, \$300 million level, assuming that the Congress goes along with that figure.

Senator BELLMON. Mr. Crutcher, that is not static; that is a decline.

Mr. CRUTCHER. A point well taken.

Senator BELLMON. So you are really suffering a reduction in real terms?

Mr. CRUTCHER. Yes, sir.

#### KERR PARK GRANT PROJECT IN OKLAHOMA CITY

Senator BELLMON. There is one item not contained in the budget that I am interested in. I do not know whether there is anything we can do about it here this afternoon, but perhaps if I call it to your attention you might be able to look into it.

It has to do with Kerr Park in Oklahoma City. I understand this project is currently being considered by the Bureau and if funded the funds will come from the contingency fund.

Do you know about this project? And if so, can you tell me about its status?

Mr. CRUTCHER. Yes, sir, I do know about that project. I have personally been in Oklahoma City to examine the 157 acres involved in the current project. I think it is a beautiful project. It is well-conceived. It is well-planned. It has all of the elements in it that we think should go to make a successful park program. By that I mean it has carefully considered local, state and Federal participation and support, but in addition to that they have one other element that I think is superb, and that is a fine commitment from the Kerr Foundation, something that is I think in the range of \$1 million, to help acquire and develop this piece of land.

In addition to that also they have solicited and have commitments from some of the local civic clubs in Oklahoma City, notably the Optimists Club, to participate in the youth programs that they plan for the Kerr Park.

It is an excellent piece of work, and we are now close to making a decision. I know the Secretary is acquainted with the project, and it is my expectation that he will make a decision some time in the next 30 days on what we can do to assist the Kerr project.

Senator BELLMON. Is there any reason for us to consider adding to the appropriation in order to take care of this project?

Secretary REED. If I might break in here, Senator, John Crutcher gave the Secretary and myself a most excellent briefing on some priority projects for use of the contingency fund, one of which was this particular project.

I feel sure that the Secretary felt that his briefing was superb and you will hear some good news in the very short future on this particular area.

Senator BELLMON. Mr. Secretary, there is only about \$6 or \$7 million in the contingency fund. This project would take one-third of it.

Secretary REED. The Secretary certainly will not approve that much but I think you will find that he looks upon this project very affirmatively. But I doubt that any project in the United States would get that kind of matching money this year, and we are trying to spread it out as far as we can.

Senator BELLMON. The problem with this project is, it is pretty well all or nothing. You cannot do part. We might have to talk about adding some money to take care of it.

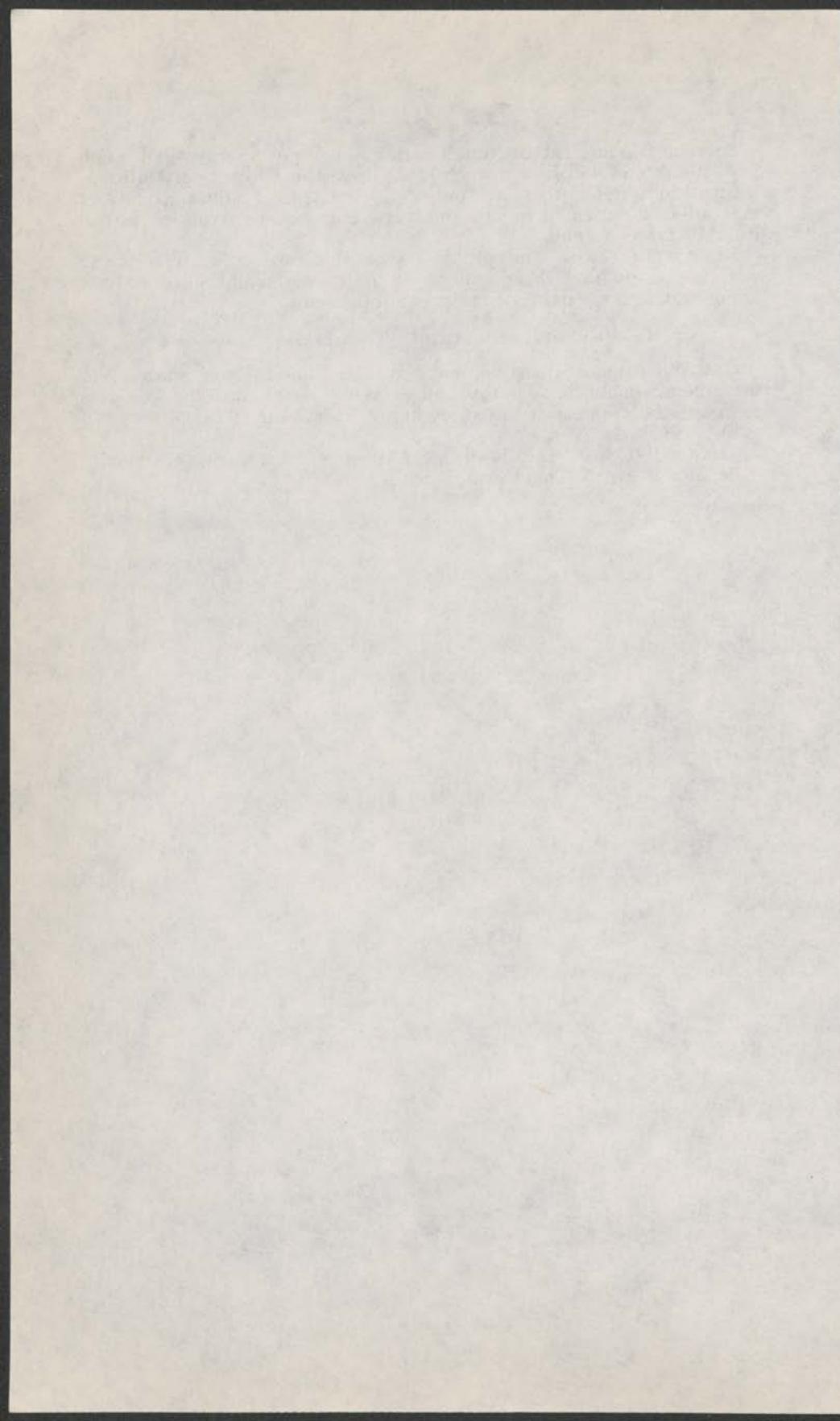
#### ILLINOIS WILD AND SCENIC RIVER STUDY FUNDING

One other quick question, back to the Illinois River study. Will there be adequate funds in this budget as it is now before the Congress to assure the progress of this study during fiscal year 1977?

Mr. CRUTCHER. Yes, sir.

Senator BELLMON. That is all, Mr. Chairman. Thank you very much.

Senator STEVENS. Thank you, Senator.



NATIONAL PARK SERVICE

LAND ACQUISITION

STATEMENT OF GARY EVERHARDT, DIRECTOR

ACCOMPANIED BY:

W. C. QUICK, CHIEF, PROGRAM AND BUDGET DIVISION  
PHILLIP O. STEWART, CHIEF, LAND ACQUISITION DIVISION  
CHARLES R. RINALDI, CHIEF, BRANCH OF COORDINATION  
AND CONTROL

BUDGET ESTIMATE

Senator STEVENS. Let us return to the Land and Water Conservation Fund estimates, which have been stated at \$300 million again this year.

It is a reduction overall of \$8,086,000 from actual appropriations to date for the current year. Of the total, \$175.5 million is for State assistance, \$117.7 million for Federal programs and \$6.7 million for administrative expenses. I am told this continues the approximate 60-40 split of the fund for State and Federal programs.

The justifications are already printed in Part 1 of the hearings. The Park Service program under this fund, I understand, totals \$77.3 million for land acquisition, roughly the same as 1976.

Is Mr. Everhardt here?

Mr. EVERHARDT. Yes, sir.

PREPARED STATEMENT

Senator STEVENS. Could you highlight your remarks and put the full statement in the record, Mr. Everhardt, concerning your portion of this request, please?

[The statement follows:]

MR. CHAIRMAN:

It is indeed an honor for me to appear before you in support of our land acquisition program for 1977 fiscal year. We are indebted to you for the support which we have received during the past years in significantly preserving many areas of our Country for the enjoyment of present and future generations.

I am very pleased with the record we have made since inception of the Land and Water Conservation Fund. I would like to briefly highlight those achievements. Through fiscal year 1975 appropriations for our land acquisition program have totaled some \$675.0 million which includes \$72 million for Redwood National Park. With these funds we have acquired some 26,000 tracts of land and added approximately 2.1 million acres to the System. Our land acquisition program is in high gear as is evidenced by the fact that in fiscal year 1975, we obligated 99% of the funds available for obligation.

Your support of our Opportunity Inholding Program is continuing to reap great benefits to the consummation of this program. Under the new procedures which have now been in existence over a year we have succeeded in virtually obligating the entire fiscal program during the first half of the fiscal year. Historically, prior to inception of the new procedures, we were obligating about an average of 73% of our available inholding funds per fiscal year. Since the new procedures went into effect progress has improved greatly. During fiscal year 1975 100% fund obligation was accomplished with approximately 80% being obligated by December 31, 1974. As of December 31, 1975, all but \$2.9 million of the \$15 million appropriated in fiscal year 1976 has been committed, reflecting approximately 81% accomplishment of this program.

We are indeed pleased with this record and take this opportunity to thank you for your support of this program.

Briefly, I would like to highlight our budget request for 1977 fiscal year.

Our request is broken down into four major categories. First, \$2,500,000 is requested to pay court awards on condemnation cases which exceed estimated value. Many of these cases have been filed since 1970 and we expect them to come to trial in the near future. This line item provides that immediate payments can be made at areas where funding does not remain immediately available, but where unappropriated balances remain.

Second, \$15,000,000 is requested for the Acquisition of Inholdings on an Opportunity basis. This program has been in existence since fiscal year 1969 and allows for acquisition of lands in the older areas of the System on an opportunity basis. The authority granted to allow for immediate acceptance of Offers under \$150,000 without prior congressional approval has streamlined it and permits more direct negotiations with the landowners. The old method of processing offers through various offices for approval made dealing with landowners very difficult. Our inability to advise the landowners with any certainty that their Offers would be approved and when payment would be made caused considerable resistance.

Third, \$2,000,000 is requested for the payment of relocation claims at areas authorized prior to enactment of the Uniform Relocation and Real Property Acquisition Policies Act of 1970, enacted January 1, 1971. These costs were not included in our original estimates for these areas since the actions by the Interior Committees authorizing these areas preceded the passage of the Uniform Relocation Act. Section 405 of the Act of October 26, 1974 (P.L. 93-477), provided that such costs may exceed previous congressionally defined monetary limitations.

Lastly, \$57,803,000 is requested to continue acquisition programs in specific Recently Authorized Areas. Included in this amount is \$30 million to acquire lands at Big Cypress National Preserve, Big Thicket National Preserve, and Cuyahoga Valley National Recreation Area. As you know, the acts creating these three areas require that the acquisition programs be substantially completed within six years. The funds requested for these areas will aid in fulfilling this congressional mandate. Other areas where acquisition programs will be continued are Appalachian Trail, Apostle Islands NL, Bighorn Canyon NRA, Canaveral NS, Cape Cod NS, Cape Lookout NS, Colonial NHP, Everglades NP, Fire Island NS, Grand Canyon NP, Indiana Dunes NL, Lake Mead NRA, Lower St. Croix NSR, Point Reyes NS, Rocky Mountain NP, Sleeping Bear Dunes NL, and Voyageurs NP.

I will be please to answer any questions you may have.

## LAND ACQUISITION PROGRAM

Mr. EVERHARDT. Thank you, Mr. Chairman.

With your permission I would like to introduce one of our associates, Chuck Rinaldi, Acting Chief of our Land Acquisition Division.

I appreciate the opportunity to appear today in support of the National Park Service Land Acquisition Program for 1977 fiscal year. We are certainly indebted to this subcommittee for the support which we have received during the past years in significantly preserving many areas of our country for the enjoyment of present and future generations.

I am very pleased with the record we have made since the beginning of the Land and Water Conservation Fund. Through fiscal year 1975 appropriations for our land acquisition program have totaled some \$675 million. With these funds we have acquired some 26,000 tracts of land and we have added approximately 2.1 million acres to the System.

With the subcommittee's support of our opportunity inholding program we are continuing to reap the great benefits for the consummation of this program. Under the new procedures which Secretary Reed discussed earlier which have been in existence about 1 year, we have succeeded in almost obligating the entire fiscal program during the first half of the fiscal year.

As an example of this, as of December 31, 1975, all but \$2.9 million of the opportunity inholding program out of \$15 million has been obligated.

## BUDGET REQUEST

Briefly, to highlight our budget request for 1977 fiscal year, our request is broken down into four major categories.

First, \$2.5 million is requested to pay court awards on condemnation cases which exceed estimated value. Many of these cases have been filed since 1970 and we expect them to come to trial in the very near future. This is an increase of approximately \$1 million over that amount available in 1976. This line item provides that immediate payments can be made in those areas where funding does not remain immediately available, but where unappropriated balances do exist.

Second, \$15 million is requested for the acquisition of inholdings on an opportunity basis. This program has been in existence since fiscal year 1969 and allows for acquisition of lands in the older areas of the System on an opportunity basis. The authority granted to allow for immediate acceptance of offers under \$150,000 without prior Congressional approval has streamlined it and permits more direct negotiations with the landowners.

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Lastly, \$57,803,000 is requested to continue acquisition programs in specific recently authorized areas. Included in this amount is \$30 million to acquire lands at Big Cypress National Preserve, Big Thicket National Preserve, and Cuyahoga Valley National Recreation Area. As you know, the Acts creating these three areas require that the acquisition programs be substantially completed within 6 years. The funds requested for these areas will aid in fulfilling this Congressional mandate.

Other areas where acquisition programs will be continued are Apalachian Trail, Apostle Islands NL, Bighorn Canyon NRA, Canaveral NS, Cape Cod NS, Cape Lookout NS, Colonial NHP, Everglades NP, Fire Island NS, Grand Canyon NP, Indiana Dunes NL, Lake Mead NRA, Lower St. Croix NSR, Point Reyes NS, Rocky Mountain NP, Sleeping Bear Dunes NL, and Voyageurs NP.

I will be pleased to answer any questions you may have.

#### RECENTLY AUTHORIZED AREAS

Senator STEVENS. You mentioned recently authorized areas. But I am informed that some of the areas listed were not recently authorized. What is your definition of recently authorized areas for the use of the \$57.8 million?

Mr. EVERHARDT. Generally, a recently authorized area is one authorized since July 1, 1959, or has had amendatory legislation since that time.

For example, Mr. Chairman, Cowpens which was authorized in 1929, comprised at that time 1.24 acres. In 1972 Congress authorized an increase at Cowpens adding 845 acres and we feel that this recent authorization, to 845 acres that it would be improper to purchase the land as a result of that Act out of the inholding program. We classify that along with those created since 1959 as recently authorized areas.

Senator STEVENS. How do you determine which are to be line items, and which are to be covered by the general inholding appropriation request?

Mr. EVERHARDT. Those that are classified as recently authorized areas are included as line items.

Senator STEVENS. What you are saying is, if they are authorized after 1959 or if there was an amendment by Congress of the basic Act which authorized inholding acquisitions since 1959, those would be included, too?

Mr. EVERHARDT. Yes, sir, those would be included in the line item as newly-authorized areas.

Senator STEVENS. We can be sure there won't be any of that \$57 million spent on areas that do not meet one of those two tests.

Mr. EVERHARDT. The \$57.8 million will be spent on recently-authorized areas in accordance with that definition.

## CUMBERLAND ISLAND NATIONAL SEASHORE AND BISCAYNE NATIONAL MONUMENT

Senator STEVENS. At our request last year you gave us a list of high priority areas that you would like to acquire if additional funding is available, and in some instances Congress made that money available.

I am told that two that were not funded do not appear in your budget request this year. One is the Cumberland Island National Seashore, and the other is Biscayne National Monument.

Why have you given those a lower priority now?

Mr. EVERHARDT. At Biscayne we do not need additional authorization at this time. At Cumberland Island, we still have unobligated authorization, and our land acquisition negotiations have not proceeded as rapidly as originally anticipated.

Senator STEVENS. Did you complete the Biscayne inholding acquisition?

Mr. EVERHARDT. We have two tracts in a pending condemnation at Biscayne.

Senator STEVENS. But they are not included in the request this year.

Mr. EVERHARDT. No, sir, they would be taken out of the deficiency item of court awards of \$2.5 million.

## BALANCE AFTER FISCAL 1977

Senator STEVENS. It would be helpful for the committee if you would break down for the record as you did last year the specifics by park unit in terms of acreage and costs after fiscal year 1977, would you do that please?

Mr. EVERHARDT. We would be happy to do so.

[The information follows:]

NATIONAL PARK SERVICE  
LAND AND WATER CONSERVATION FUND  
BACKLOG AFTER FISCAL YEAR 1977

<u>AREA</u>	<u>ACRES</u>	<u>COST</u>
Deficiencies	-----	\$ 8,820,000
Inholdings	23,004	54,425,921
Relocation	-----	10,681,750

Recently Authorized Areas:

Appalachian Trail	<u>1/</u>	3,810,000
Big Cypress N Pre.	<u>300,044</u>	93,700,000
Big Thicket N Pre.	65,512	51,191,000
Bighorn Canyon NRA	7,430	194,622
Biscayne NM	<u>2/</u>	400,000
Boston NHP	<u>3/</u>	1,600,000
Canaveral NS	232	3,938,500
Cape Cod NS	<u>2/</u>	563,925
Cape Lookout NS	977	3,668,753
Capitol Reef NP	20	87,600
Chesapeake & Ohio Canal NHP	2,004	909,919
Colonial NHP	130	3,063,964
Cumberland Island NS	230	246,000
Cuyahoga Valley NRA	15,279	23,700,000
Delaware Water Gap NRA	2,042	5,720,000
Everglades NP	<u>2/</u>	771,617
Gateway NRA	90	11,963,000
Golden Gate NRA	175	26,010,000
Grand Canyon NP	-	2,922 <sup>4/</sup>
Guadalupe Mountains NP	103	116,835
Indiana Dunes NL	315	1,963,251
Lake Mead NRA	1,582	1,282,438
Lower St. Croix NSR	2,914	13,300,000
Minute Man NHP	21	863,000
Ozark NSR	<u>2/</u>	650,324
Point Reyes NS	<u>2/</u>	6,204,000
Sleeping Bear Dunes NL	27,845	27,553,000
Virgin Islands NP	361	5,425,000
Voyageurs NP	<u>23,446</u>	<u>9,501,372</u>
Subtotal - Recently Authorized Areas	450,752	\$298,401,042
GRAND TOTAL - EXISTING AREAS	473,756	\$372,328,713

<sup>1/</sup> Funds to be used to perform preacquisition work in cooperation with the States in order to accelerate the acquisition of the Trail outside of Federal units.

<sup>2/</sup> Funds to be used to pay court awards in condemnation cases.

<sup>3/</sup> Less than one acre.

<sup>4/</sup> Funds will be used for acquisition costs.

## AUTHORIZATIONS

Senator STEVENS. There is concern over the ultimate cost, but Congress continues to work on authorization for new park areas. It would be helpful to us if you give us your estimates on what these new proposed areas will cost.

If there is any question about the areas we are talking about, you can consult with staff. But we would like to have the figures for the record of what the new authorizations pending will cost, if those Acts pass.

Mr. EVERHARDT. Yes, sir.

[The information follows:]

*Proposed New Authorizations on Which Favorable Recommendation Has Been Made  
by the Administration*

<i>Area</i>	<i>Cost</i>
Chickasaw NRA .....	1,600,000
Klondike NHP .....	2,665,000
New River Gorge.....	2,500,000
Alaska Parks.....	5,300,000

## SIX-YEAR ACQUISITION DIRECTIVE

Senator STEVENS. With regard to Big Thicket, Big Cypress, Cuyahoga Valley and their 6-year acquisition directive, what kind of spending level would Park Service need to acquire these three areas within 6 years and still accommodate your other acquisition needs for areas authorized?

Do you have to answer that for the record, or do you know?

Mr. EVERHARDT. I think I can say, Mr. Chairman, that after fiscal 1977 our estimate for these three areas is \$168 million. Our people have projected that out in the remaining three fiscal years of the 6-year period obligation at about \$66 million the first year, and \$63 million for the second year, and \$39 million for the third year.

FUNDING NEEDED FOR BIG CYPRESS, BIG THICKET AND CUYAHOVA  
VALLEY

I think if you compare this with the amount of money we presently are working under in the land acquisition program, you can see that some of the other programs would not be able to proceed as they have in the past.

Senator STEVENS. That is 3-year. I was asking 6-year—there are 3 years left?

Mr. EVERHARDT. Three years left after 1977.

Senator STEVENS. Give us, for the record, the figures and what funding you would need to accommodate those three areas and still meet the other acquisition needs that are authorized within your request.

Mr. EVERHARDT. Yes, sir, I would be happy to.

[The table follows:]

TABLE III

Land and Water Conservation Fund  
Additional Funding Needs  
(\$ Millions)

National Park Service	Balance	FY 77	Unappropriated Reserve <sup>1/</sup>	Total FY 77	FY 78	FY 79	FY 80	Remaining Balance <sup>2/</sup>
Big Cypress	108.7	15.0	25.0	40.0	25.0	25.0	18.7	-
Big Thicket	60.5	9.3	15.9	25.2	15.0	15.0	5.3	-
Cuyahoga	29.4	5.7	8.0	13.7	6.0	5.0	4.7	-
Deficiencies	11.3	2.5	2.0	4.5	2.5	2.5	1.8	-
Inholdings	69.4	15.0	8.4	23.4	15.0	15.0	15.0	1.0
Relocation	12.7	2.0	-	2.0	2.0	2.0	2.0	4.7
Recently Authorized Areas	157.6	27.8	37.7	65.5	11.5	12.5	29.5	38.6
Total	449.6	77.3	97.0	174.3	77.0	77.0	77.0	44.3
<b>Forest Service</b>								
Recently Authorized Areas	58.2	21.1	5.0	26.1	21.0	20.23/	17.33/	-
Wilderness	183.2	2.0	5.0	7.0	4.0	4.8	5.7	161.7
Lake Tahoe	46.2	3.3	3.0	6.3	2.0	2.0	4.0	31.9
Deficiencies	23.6	3.6	-	3.6	3.0	3.0	3.0	11.0
Specially Designated Areas	200.0	-	15.0	15.0	-	30.0	-	1185.0
Total	1511.2	30.0	28.0	58.0	30.0	30.0	30.0	1389.6
<b>Fish and Wildlife Service</b>								
Recently Authorized Areas	28.7	1.6	2.5	4.1	1.8	1.7	1.5	19.6
Endangered Species	234.4	4.5	5.0	9.5	5.0	5.0	5.5	209.4
Inholdings	29.7	1.2	3.0	4.2	1.6	1.7	1.4	20.8
Deficiencies	6.2	1.2	-	1.2	1.1	1.1	1.1	4.7
Total	299.0	8.5	10.5	19.0	8.5	8.5	8.5	254.5
<b>Bureau of Land Management</b>								
Recently Authorized Areas	5.5	2.0	-	2.0	2.0	2.03/	2.03/	-
Total	5.5	2.0	-	2.0	2.0	2.03/	2.03/	-
GRAND TOTAL	2265.3	117.8	135.5	253.3	117.5	117.5	117.5	1688.4

<sup>1/</sup> Funds could be appropriated from unappropriated reserve, however, if 60% does not go to the States, great concern can be expected.

<sup>2/</sup> Does not include an estimated \$705.6 million for which legislation is needed.

<sup>3/</sup> Authorizing legislation anticipated.

National Park Service  
LAND AND WATER CONSERVATION FUND  
Additional Funding Needs

	Balance After F.Y. 76 T. Q.	F.Y. 1977	Additional Needs	Total F.Y. 77	F.Y. 78	F.Y. 79	F.Y. 80	Remaining Balance
Big Cypress N. Pres.	\$108,700,000	\$15,000,000	\$25,000,000	\$40,000,000	\$25,000,000	\$25,000,000	\$18,700,000	\$ 0
Big Thicket N. Pres.	60,491,000	9,300,000	15,900,000	25,200,000	17,000,000	15,000,000	5,291,000	0
Cuyahoga Valley NRA	29,400,000	5,700,000	8,000,000	13,700,000	6,000,000	5,000,000	4,700,000	0
Deficiencies	11,320,000	2,500,000	2,000,000	4,500,000	2,500,000	2,500,000	1,820,000	0
Inholding	69,425,921	15,000,000	8,400,000	23,400,000	15,000,000	15,000,000	15,000,000	1,025,921
Relocation	12,681,750	2,000,000	0	2,000,000	2,000,000	2,000,000	2,000,000	4,681,750
<b>Recently Authorized Areas</b>								
Apostle Island NL	150,000	150,000	0	150,000	0	0	0	0
Appalachian Trail	4,310,000	500,000	0	500,000	500,000	500,000	500,000	2,310,000
Bighorn Canyon NRA	450,122	255,500	194,622	450,122	0	0	0	400,000
Biscayne NM	400,000	0	0	0	0	0	0	0
Boston NHP	1,600,000	0	1,600,000	1,600,000	0	0	0	0
Canaveral NS	6,938,500	3,000,000	3,938,500	6,938,500	0	0	0	0
Cape Cod NS	2,563,925	2,000,000	0	2,000,000	0	0	563,925	0
Cape Lookout NS	4,668,753	1,000,000	3,668,753	4,668,753	0	0	0	0
Capitol Reef NP	87,600	0	0	0	0	0	0	87,600
C&O Canal NHP	909,919	0	0	0	909,919	909,919	0	0
Colonial NHP	4,063,964	1,000,000	0	1,000,000	1,000,000	1,000,000	1,000,000	63,964
Cumberland Island NS	246,000	0	246,000	246,000	0	0	0	0
Delaware Water Gap NRA	5,720,000	0	0	0	0	0	5,720,000	0
Everglades NP	1,771,617	1,000,000	0	1,000,000	0	0	771,617	0
Fire Island NS	269,162	269,162	0	269,162	0	0	0	0
Gateway NRA	11,963,000	0	0	0	0	0	11,963,000	0
Golden Gate NRA	26,010,000	0	2,000,000	2,000,000	0	0	0	24,010,000
Grand Canyon NP	922,922	920,000	0	920,000	0	0	0	2,922
Guadalupe Mtn. NP	116,835	0	0	0	0	0	0	116,835
Indiana Dunes NL	3,463,251	1,500,000	1,963,251	3,463,251	0	0	0	0
Lake Mead NRA	2,282,438	1,000,000	1,282,438	2,282,438	0	0	0	0
Lower St. Croix NSR	16,300,000	3,000,000	4,000,000	7,000,000	4,000,000	3,300,000	2,000,000	0
Minute Man NHP	863,000	0	0	0	0	0	863,000	0

Balance After F.Y. 76 T. Q.	F.Y. 1977	Additional Needs	Total F.Y. 77	F.Y. 78	F.Y. 79	F.Y. 80	Remaining Balance
	\$		\$	\$	\$	\$	
Ozark NSR	\$ 650,324	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 650,324
Point Reyes NS	6,354,000	150,000	150,000	0	0	0	6,204,000
Rocky Mtn. NP	246,569	0	246,569	0	0	0	0
Sleeping Bear Dunes NL	32,553,000	5,000,000	8,880,064	6,000,000	6,790,081	6,107,458	4,775,397
Virgin Islands NP	5,425,000	0	5,425,000	0	0	0	0
Voyageurs NP	16,313,141	6,811,769	2,501,372	0	0	0	0
<b>SUBTOTAL - Recently Authorized Areas</b>	<b>\$157,613,042</b>	<b>\$27,803,000</b>	<b>\$37,700,000</b>	<b>\$11,500,000</b>	<b>\$12,500,000</b>	<b>\$29,489,000</b>	<b>\$38,621,042</b>
<b>TOTAL</b>	<b>\$449,631,713</b>	<b>\$77,303,000</b>	<b>\$174,303,000</b>	<b>\$77,000,000</b>	<b>\$77,000,000</b>	<b>\$77,000,000</b>	<b>\$44,328,713</b>

## FOREST SERVICE L&amp;MCF ACT

Areas	Needs M \$	President's Budget 1977	SPECIAL REPORT		1978	1979	1980	Remaining Balance
			Additional Needs	Total 1977				
National Wild and Scenic Rivers	14,100	5,813	1000	6,813	4,000	3,287	-	-
National Trails	14,310	3,620	-	3,620	3,000	3,000	3,000	1,690
National Recreation Areas								
Flaming Gorge	1,330	-	-	-	500	500	330	-
Mount Rogers	10,000	2,000	-	2,000	2,000	2,000	2,000	2,000
Oregon Dunes 1/	3,765	400	115	515	1,000	1,250	1,000	-
Sawtooth 1/	31,694	6,740	1,954	8,694	6,000	6,000	8,000	3,000
Spruce Knob-Seneca Rocks	7,600	1,000	-	1,000	1,000	1,500	2,500	1,500
M-S-T	2,000	1,000	-	1,000	500	500	-	-
Hells Canyon	10,000	-	2,000	2,000	2,000	2,000	2,000	2,000
Cascade Head Scenic Research	3,500	536	1,100	1,636	1,000	864	-	-
Wilderness & Primitive	230,000	2,000	2,000	4,000	4,000	4,000	4,000	214,000
Lake Tahoe Basin	46,200	3,300	-	3,300	2,000	2,099	4,170	34,631
Deficiencies in Condemnation 2/	14,000	3,552	1,448	5,000	3,000	3,000	-	-
Specifically Designated Areas	1,250,000	-	18,422	18,422	-	-	-	1,231,578
Total	1,638,399	29,961	28,039	58,000	30,000	30,000	30,000	1,490,399

1/ Ammendatory Legislation to increase authorized acquisition anticipated for FY 1978.

2/ Does not include estimate for purchase of NF Inholdings.

3/ Funds could be appropriated from unappropriated Reserve.



## BUREAU OF LAND MANAGEMENT

Schedule I  
 Proposed Acquisition Program  
 February 10, 1976  
 (OMB Exercise Per Memo 1/12/76)

\$ In Thousands

Program Area	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82	Balance After FY 1982
<b>Authorized Area</b>							
Rogue River, OR.	\$1,750	\$1,750	\$1,647	\$ --	\$ --	\$ --	\$ --
King Range, CA.	46	--	--	--	--	--	--
Rio Grande, NM.	47	--	--	--	--	--	--
Pacific Crest Trail, CA	157	--	--	--	--	--	--
<b>Proposed Area</b>							
Upper Missouri River, MT	--	110	340	740	980	1,100	830
Deschutes River, OR.	--	495	960	1,320	1,460	1,260	--
Dolores River, CO.	--	100	200	200	--	--	--
Salmon River, ID.	--	--	125	500	1,000	1,390	2,656
Bruneau River, ID.	--	--	50	100	150	140	--
Organic Act, Bureau	--	--	500	2,500	3,500	3,500	7,000
<b>Total</b>	<b>\$2,000</b>	<b>\$2,455</b>	<b>\$3,522</b>	<b>\$5,360</b>	<b>\$7,090</b>	<b>\$7,390</b>	<b>\$10,486</b>

## BIG THICKET NATIONAL PRESERVE

Senator STEVENS. Is there a critical need to acquire lands in Big Thicket before they are logged or developed?

Mr. EVERHARDT. We have a team on the ground there today, Mr. Chairman, looking at Big Thicket. Secretary Reed and I have been concerned about that, and we are hopeful to be able to report to the Committee and to the Department with respect to the situation at Big Thicket at an early date.

Senator STEVENS. Is the \$9.3 million request sufficient to meet the urgent needs of Big Thicket?

Mr. EVERHARDT. We think it is an adequate amount to continue the acquisition program during fiscal year 1977.

One of the problems in land acquisition is the start-up time that is necessary in getting the mapping, title searches, and all the necessary pre-negotiation work accomplished. That is what the Corps of Engineers mainly has been doing for us up to this point in time, and they are now starting their land acquisition program and negotiations.

After this on-the-site review, we will be in a better position to respond to the \$9.3 million that we presently have estimated for 1977.

## CUYAHOGA VALLEY NATIONAL RECREATION AREA

Senator STEVENS. You have \$5.7 million for Cuyahoga. Is there an urgency in that acquisition?

Mr. EVERHARDT. We think there is an urgency there, Mr. Chairman. Cuyahoga is located near a population of about 22 million people. About 5 million people live within a half-hour's driving distance of this area.

We feel that accelerating the land acquisition program at this National Recreation Area will certainly give great numbers of people new recreational opportunities. We expect by 1979 a visitation annually of about 2½ million people.

Senator STEVENS. Do you anticipate any additional requests for that area as the result of any studies you have got under way now?

Mr. EVERHARDT. No, sir, the Corps of Engineers, under a cooperative agreement, is carrying out the land acquisition program at Cuyahoga. I think they are getting into the position now, as a result of their pre-negotiation work, to move ahead rapidly and to move ahead in accordance with the availability of funds to consummate that land acquisition program at this area.

## VOYAGEURS NATIONAL PARK

Senator STEVENS. You have a \$6.8 million request for Voyageurs National Park. Is that the Boise Cascade purchase?

Mr. EVERHARDT. Yes, sir.

Senator STEVENS. When that was brought to our attention last year there was insufficient justification for the large increase in the estimated purchase price over your 1973 estimate. What is that justification?

Mr. EVERHARDT. When the original estimate was made in 1973, there was ample pinewood pulp supply. However, there were some

problems with the State in transferring its school lands over to the National Park Service.

During this period the shortage of pine pulp became more pronounced in that area, because of a permanent injunction placed on timber outside the park.

This action, coupled with the creation of the park, made it necessary for Boise Cascade to secure its pine pulp supply at greater distances, and therefore it has increased the hauling costs which are damages that the National Park Service must pay under the severance claim for the acquisition of the 52,000 acres of Boise Cascade land at Voyageurs. As a result of this, the price has accelerated over these 2 or 3 years.

Senator STEVENS. What is the remaining cost for the Boise acquisition?

Mr. EVERHARDT. The contract price that we have agreed to with Boise Cascade at Voyageurs is about \$11.1 million. Through 1976 fiscal year, we have paid \$4.5 million leaving a balance of \$6.6 million.

We anticipate a \$3 million payment during the transition period, leaving a balance of \$3.6 million to be paid in 1977.

Senator STEVENS. What about the total cost that you now estimate? How does it compare to your original estimated cost for the Boise acquisition?

Mr. EVERHARDT. About 40 percent higher. Our original estimate in 1973 was about \$7 million, and the contract we agreed to with Boise Cascade is about \$11.1 million.

#### ADDITIONAL NPS ACQUISITION CAPABILITY

Senator STEVENS. Again this year, please supply for the record the high priority acquisitions the Park Service would fund if an additional \$25 million were available to you. This should be your own priorities without regard to any legislative deadlines.

Mr. EVERHARDT. I would like to submit a table showing the areas where additional funding could be utilized if appropriated.

[The information follows:]

Golden Gate .....	\$2,000,000	Previously, we felt funds on hand would be sufficient to complete this program, therefore, this area was not included in the Budget Request for F.Y. 1977.
Sleeping Bear Dunes .....	4,000,000	In accordance with the enabling legislation for this lakeshore, those persons where delay in acquisition would create a hardship are to be acquired first. As a result of a recent canvass of the 577 landowners remaining to have their property acquired, 215 owners indicated a desire for early acquisition. These additional funds will allow for accommodation of these hardship cases and acquisition of other priority tracts.
Lower St. Croix .....	3,000,000	The development plans, which were a prerequisite to the expenditure of funds for land acquisition, were sent to the appropriate Congressional Committees on September 19, 1975. The 90-day review period ended on December 17, 1975. The preliminary acquisition work has nearly been accomplished and negotiations will begin soon. Additional funds will permit an acceleration of this program to overcome the long delay which has occurred in getting this program started.
Voyageurs .....	2,000,000	The funds requested in F.Y. 1977 have been earmarked for the most part to acquire the Boise Cascade property. These additional funds will allow for the orderly and timely acquisition of additional lands.
Big Thicket .....	7,254,000	Congress, in authorizing these three areas, directed that the acquisition programs be substantially completed within six years from the date of enactment. These additional funds will aid in realizing that mandate.
Cuyahoga Valley .....	1,500,000	
Big Cypress .....	5,000,000	
Cumberland Island .....	246,000	Restoration of Funds previously reprogrammed.
	\$25,000,000	

#### INHOLDING ACQUISITION BACKLOG

Senator STEVENS. Last year you indicated there was a balance of \$76 million needed for inholding acquisitions. Where do we stand on that now?

Mr. EVERHARDT. Through December 31, 1975, we have obligated all but \$2.9 million of the total \$81.7 million which has been appropriated since the inception of the opportunity inholding program in fiscal year 1969. The remaining land acquisition program after the transition quarter is shown in the following table.

[The information follows:]

Area	Balance Acres to Acquire	Total Cost (thousands)
Antietam NBS	822	\$343
Badlands NM	3,384	527
Big Bend NP	(1,920)	4
Black Canyon of the Gunnison NM	349	33
Blue Ridge Parkway	7,539	7,845
Bryce Canyon NP	3	6
Chaco Canyon NM	(1,320)	10
Chiricahua NM	13	44
Colorado NM	13	100
Death Valley NM	312	122
Dinosaur NM	3,882	694
El Morro NM	319	45
Fredericksburg-Spotsylvania NMP	1,714	7,461
Gettysburg NMP	619	6,373
Glacier NP	1,295	4,571
Glacier Bay NM	198	76
Grand Teton NP	2,279	25,869
Great Sand Dunes NM	432	140
Guilford Courthouse NMP	1	3
Hot Springs NP	1,718	4,594
Joshua Tree NM	6,117	3,214
Katmai NM	19	10
Kings Canyon NP	144	4,560
Lassen Volcanic NP	575	2,475
Manassas NBP	140	886
Mesa Verde NP	316	165
Montezuma Castle NM	17	28
Mount Rainier NP	165	13
Olympic NP	1,304	7,520
Organ Pipe Cactus NM	345	2,723
Petersburg NB	159	916
Pinnacles NM	320	55
Rocky Mountain NP	905	5,621
Saguaro NM	39	22
St. Croix Island NM	13	227
Scotts Bluff NM	88	61
Sequoia NP	351	532
Theodore Roosevelt N Mem. P	656	104
Walnut Canyon NM	238	28
Yosemite NP	274	13,204
Zion NP	5,096	2,044
Totals	42,173	\$103,268
Less 1975 FY Program	7,487	15,342
Less 1976 FY Program	3,920	15,000
Less Transitional Quarter Program	950	3,500
Balance after Transitional Quarter	<sup>1</sup> 29,816	<sup>1</sup> 69,426

<sup>1</sup> Does not include Natchez Tract Parkway and a portion of the J.Y. Ranch property at Grand Teton.

## LAND ACQUISITION PERSONNEL

Senator STEVENS. Last year we had some discussion on the availability of adequate personnel to carry out the Park Service's acquisition program. You testified then that you had an average of 166 personnel in land acquisition. What allowance do you have for 1977?

Mr. EVERHARDT. The allowance provided in the Budget Justification for Land Acquisition positions for the National Park Service is 249. It has been estimated that there will be an approximate 10 percent lapse; therefore, the end of the year employment ceiling for this function has been allocated at 225.

Senator STEVENS. Were any of the 400 additional positions allocated to Park Service this year placed in land acquisition?

Mr. EVERHARDT. The additional positions and associated funding provided in Fiscal 1976 provided add-ons for park area operations specified by the Congress and as supported in subsequent priority lists by the Service for operating park areas.

Inasmuch as the land acquisition staff is funded from the Land and Water Conservation Fund there were no land acquisition positions provided for in the ONPS appropriation.

## CORPS OF ENGINEERS PERSONNEL

Senator STEVENS. How many Corps of Engineers personnel are available now, and how does that compare to last year?

Mr. EVERHARDT. The Corps of Engineers has 44 authorized positions, of which 28 were filled as of December 31, 1975. The Corps is currently hiring additional personnel up to the 44 authorized positions. During fiscal year 1975, the Corps had available 28 authorized positions. The increase in staff is due to the additional workload for which it is now responsible; namely, Big Thicket National Preserve and Cuyahoga Valley National Recreation Area.

## INCREASED TRAVEL COSTS

Senator STEVENS. The object classification for travel in the allocation accounts for Park Service and Corps of Engineers combined increases \$321,000, or 76 percent. What is responsible for this increase?

Mr. EVERHARDT. The program for fiscal year 1976 contemplates the acquisition of some 3,500 tracts of land as compared to 7,354 tracts of land for fiscal year 1977. This tract count is most significant when considered on the basis that essentially each tract represents an individual owner who must be individually contacted. Further, we are encountering a large number of absentee landowners in our larger projects; for example, Big Cypress National Preserve and Sleeping Bear Dunes National Lakeshore. The large increase in the scope of work coupled with an increase in the per diem rate results in a considerable increase in travel costs. Moreover, the estimated travel costs is prepared on the basis of full staffing less normal lapse. Likewise, the Corps of Engineers is encountering the same type of situations in the consummation of its acquisition programs for Big Thicket National Preserve, Cuyahoga Valley National Recreation Area, and Delaware Water Gap National Recreation Area; namely absentee owners, increased per diem rates, etc.

## INHOLDING ACQUISITION AT WILSONIA AND WAWONA SUBDIVISIONS

Senator STEVENS. Inholding appropriations are regularly used to continue acquisition in the Wilsonia and Wawona subdivisions of Kings Canyon and Yosemite National Parks. The Committee has received a letter sharply critical of these acquisition programs. We will supply you a copy and ask you to respond for the record.

[The letter follows:]

NOVEMBER 30, 1975.

TO ALL MEMBERS OF THE SENATE INTERIOR APPROPRIATIONS SUBCOMMITTEE

GENTLEMEN: I am writing about House Bill No. 8773 which is currently under consideration. I understand that the House has appropriated \$18.5 million for inholding purchases from July 1, 1975 to Sept. 30, 1976, under the impression that there are extensive inholdings of private land which ought to be acquired for either recreational value or to improve administration.

I have personal knowledge of the National Park Service's use of moneys for purchase of land and property in the little village of Wilsonia in Kings Canyon Nat'l Park. Several hundred thousand dollars have been spent in the last 6 years—all wasted. The Park Service has used the cabins they've purchased very little. In fact many of them have been razed or just sold for \$15. to \$300., a fraction of their value.

The lots purchased are of no recreational value. Hundreds of thousands of acres of recreational land are close at hand if the Park Service really needed more land. Purchase of inholdings in Wilsonia or Wawona in Yosemite is not necessary to improve administration. The Property Owners Association of Wilsonia is capable of handling all their administrative problems without imposing extra administrative load on the local Ranger or District Superintendent.

I believe the Park Service should list exactly what properties they need before any money is appropriated for further purchases.

In Wilsonia the right of private citizens to own and use their legally purchased property is being overridden by high-handed government practices.

You should kill HR 8773 and get accurate information on the real needs of the Park Service.

Please let me know how you vote on HR 8773 and what information you as individual members based your vote on.

Sincerely,

ROBERT A. BULKLEY  
1737 Paterna Rd.  
Santa Barbara, Ca. 93103

National Park Service reply to letter from Robert Bulkley:

Mr. Robert A. Bulkley of Santa Barbara, California, in his letter of November 30, 1975, wrote opposing appropriations for land acquisition in the Wilsonia and Wawona areas of Kings Canyon National Park and Yosemite National Park, respectively. Mr. Bulkley is particularly concerned with Wilsonia.

Wilsonia, a townsite consisting of about 125 acres or so, is located in the Grant Grove section of Kings Canyon National Park. Houses in this community are jammed close together with no setback or sideyard regulations. Much of the area consists of what might be termed "backyard slums" with debris and abandoned equipment lying around. Both the residences and the commercial area are scenic intrusion and completely out of character with the mountain environment. The soil is thin throughout and the terrain is very steep over much of the area. The more level spots, the meadows, are suffering from the encroachment of dwellings, utility structures, and from the introduction of exotic plant species.

Water supply to the homes in this townsite is by individual wells, and sewer is by individual septic tanks. Though visual quality has suffered from the townsite development, the more serious concern is the ecological impact which the removal of the required volume of water for the community might have on the Sequoia groves, the wildlife, and other elements of the park environment which we are charged with preserving. Water is not an abundant resource in this area, and so continued or increased depletion of ground water could have serious consequences.

Though relatively small in area, the Wilsonia development provides a continuing administrative and management burden on the National Park Service. Since the area is in the midst of the park and since the United States has exclusive jurisdiction over the area, it cannot ignore the community or leave it entirely to resolve its own

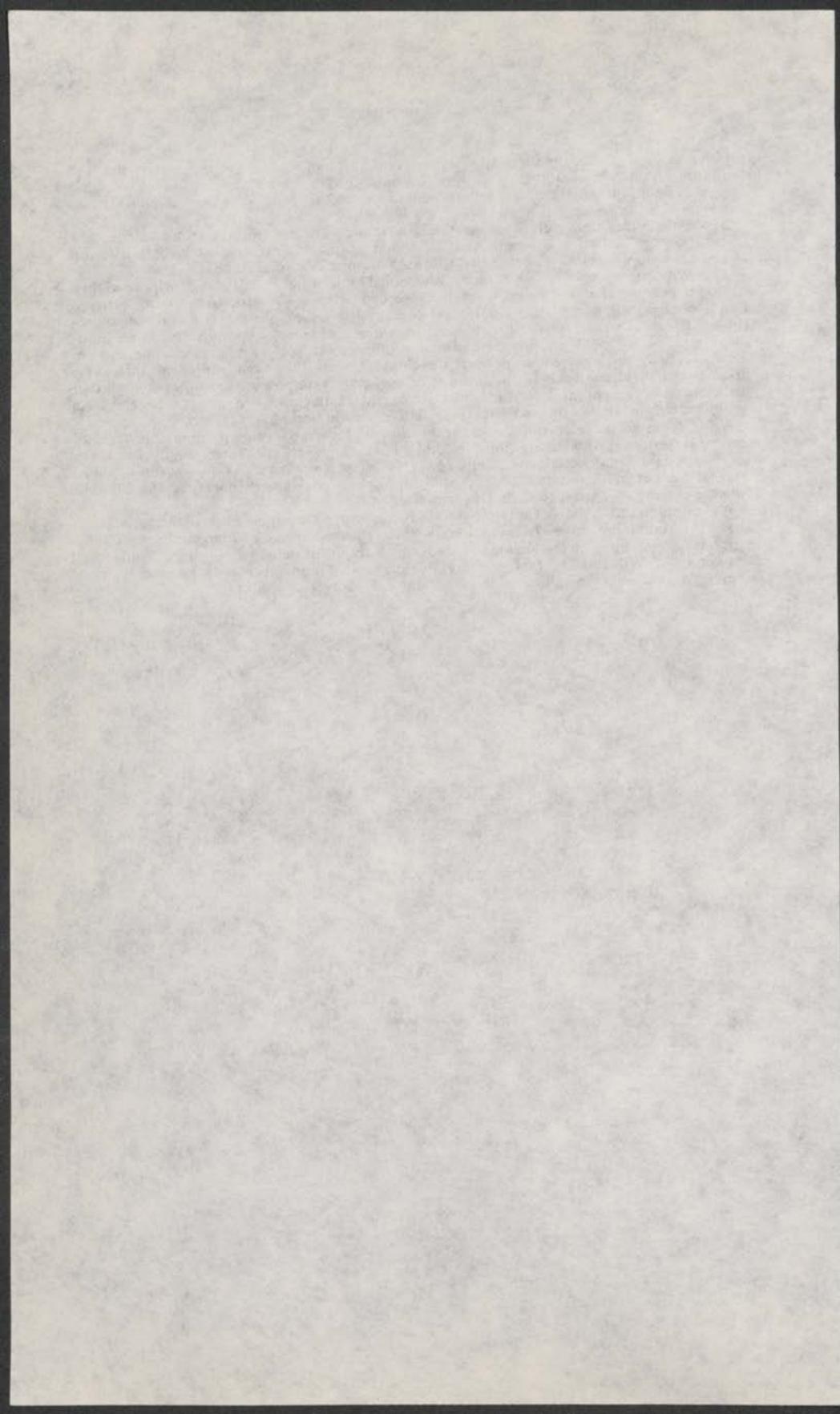
problems. The effects on the park environment through use of ground water, through pollution of streams, and through the introduction of exotic vegetation are among the considerations that cannot be ignored if we are to fully protect the park in accordance with our mandate.

Much the same considerations, particularly those of water pollution due to the lack of any sewage system and strain on the Service to provide policing and administration of the area, apply to the Wawona townsite in Yosemite National Park.

The Wawona area is located under Wawona Dome adjacent to the Mariposa Grove of big trees on the South Fork of the Merced River, an attractive fishing stream. Land having sufficient water supply and topography adaptable for construction of residential uses is very limited. Lands that are developable are generally the same lands most needed to meet public recreational requirements for campgrounds and stream access. Thus, the increasing private developments in this area represent intrusions upon the natural resource. In addition, the community imposes a considerable burden for law enforcement and for administrative and management upon the Service. As in Wilsonia, this area is under Federal legislative jurisdiction.

Aside from scenic intrusions and the burden of local government upon the Service, the most serious problem, perhaps, is that of water pollution. Water supply for these homesites is by individual wells and sewer is by septic tanks. As at Wilsonia, there is great danger of contamination of water supply and consequent hazards. The Merced River is polluted by seepage from this community.

We continue to believe that the only satisfactory solution is eventually to acquire all of the remaining privately owned lands through the Service's Opportunity Inholding Purchase Program. This is being carried on without pressure at both Wilsonia and Wawona. At Wilsonia, in fact, we are dealing with landowners only after they have expressed an interest in selling to the National Park Service.



U.S. FISH AND WILDLIFE SERVICE

LAND ACQUISITION

STATEMENT OF LYNN A. GREENWALT, DIRECTOR

ACCOMPANIED BY:

KEITH M. SCHREINER, ASSOCIATE DIRECTOR, FEDERAL ASSISTANCE

WALTER R. McALLESTER, CHIEF, DIVISION OF REALTY

PREPARED STATEMENT

Senator STEVENS. The request totals \$8,495,000, a decrease of \$930,000 in appropriations to date for the current year. We would appreciate if you would identify your associates, and we will put your full prepared statement in the record. Highlight your statement, please.

[The statement follows:]

Mr. Chairman:

The President's budget for fiscal year 1977 requests \$8,495,000 of Land and Water Conservation Fund monies for land acquisition by the Fish and Wildlife Service.

Approximately one-half of this request, \$4.5 million, is needed to acquire, under the authority of the Endangered Species Act of 1973 (P.L. 93-205), habitat critical to the survival of endangered species. Specifically, these funds will continue acquisition of habitat for the endangered Mississippi sandhill crane and the endangered Hawaiian water birds. The species involved are totally dependent on very limited habitat which is immediately threatened with destruction from development for residential or commercial uses.

P.L. 92-330 authorized the establishment of the San Francisco Bay National Wildlife Refuge. This 21,662 acre refuge provides benefits to three endangered species, migratory birds, harbor seals, and marine fin and shellfish. The open space and public use values are extremely important. An appropriation of \$1.6 million is requested to continue acquisition of this refuge. Authority contained in P.L. 92-330 expires at the end of FY 1977 and this request will total the funds authorized for this area.

Under the authority of the 1962 Refuge Recreation Act, \$1,195,000 is requested to continue to acquire lands adjacent to Santa Ana National Wildlife Refuge, Texas; Great Swamp National Wildlife Refuge, New Jersey; and Desert National Wildlife Range, Nevada. These acquisitions will enhance the public use opportunities for wildlife-oriented experiences. The funds requested for Santa Ana and Desert will complete the acquisition of lands and that requested for Great Swamp will permit the continuance of the on-going acquisition.

Also included within this request is \$1.2 million for condemnation deficiencies on court awards and stipulations negotiated by the Department of Justice for a 1,618-acre tract acquired for the endangered Columbian white-tailed deer in Oregon.

I believe that all these additions to the refuge system will yield special benefits to our citizenry, both in terms of environmental preservation and recreational and educational opportunity.

I should be pleased to answer any questions the Committee might have.

INTRODUCTION OF ASSOCIATES

Mr. GREENWALT. Thank you, Mr. Chairman. To my immediate left is Mr. Walter McAllester, Chief of our Division of Realty, and to his left Mr. Keith Schreiner, who is responsible for the endangered species program, among others.

Mr. Chairman, briefly stated, our request is, as you said, \$8,495,000, of which \$4.5 million will be used to acquire habitats for endangered species, particularly the Mississippi sandhill crane and Hawaiian water birds.

Next, \$1.6 million is requested to continue the acquisition of the San Francisco Bay National Wildlife Refuge, which is a congressionally authorized project. Under the 1962 Refuge Recreation Act authority, we propose to spend \$1,195,000 to continue to acquire lands at Santa Ana Wildlife Refuge in Texas, the Great Swamp Refuge in New Jersey, and the Desert National Wildlife Range in Nevada.

Finally, we have requested \$1.2 million for condemnation deficiencies resulting from court-directed awards to be paid at the Columbian white-tailed deer refuge in Oregon and one or two other projects.

#### ENDANGERED SPECIES REQUEST

Senator STEVENS. Thank you very much.

I am informed that your endangered species request is down from \$6.4 million to \$4.5 million. Why is that dropping, and what is the status of the acquisition program for endangered species?

Mr. GREENWALT. Our acquisition program for endangered species is proceeding in accordance with the amount of funds available.

More specifically, the precise array of acquisition there through 1976 and the transition quarter will be approximately a total of 45,900 acres. And we will have spent at the end of this current fiscal year, that is to say 1976, approximately \$21.8 million for a variety of habitats, both in the United States proper and in Hawaii.

#### SAN FRANCISCO BAY REFUGE

Senator STEVENS. Will the \$1.6 million for San Francisco Bay Refuge complete the authorization?

Mr. GREENWALT. It will reach the authorization level, yes, sir.

Senator STEVENS. What is the acquisition program for San Francisco Bay under the Migratory Bird Conservation Account?

Mr. GREENWALT. It contemplates \$1 million.

Senator STEVENS. Will that be completed?

Mr. GREENWALT. It will be all in one transaction. It is a mixture of the moneys—

Senator STEVENS. Will it all be completed this year?

Mr. GREENWALT. By the end of fiscal 1977 we must have it completed, because that too is part of the legislative mandate.

#### RECREATION/NATURAL AREAS

Senator STEVENS. What is the justification for the three purchases totalling \$1.1 million for the recreation/natural areas? What are those needs and what are the priorities?

Mr. GREENWALT. These relate to the authorization we have under the Land and Water Conservation Fund Act and the Refuge Recreation Act to continue to acquire lands adjacent to existing national wildlife refuges, the purpose of the lands to be acquired to provide an opportunity for public recreation in such a way that such recreation can be taken off the basic habitat blocks and not impinge on the wildlife management value of those lands.

For example, Santa Ana in extreme south Texas is an area that is heavily used by a variety of birds, many of which occur no place else in the United States, and it is therefore heavily used by the general public for purposes of wildlife recreational activity for about 23,000 visitors annually. We propose to buy lands adjacent to the refuge which will enable us to accommodate much of this public use and at the same time not interpose the public into the habitat which at various times of the year may be extremely critical for these birds.

The same justification applies as well for the Desert National Wildlife Refuge and also the Great Swamp in New Jersey.

Senator STEVENS. Do you have visitors' facilities in those three areas?

Mr. GREENWALT. Very few at Santa Ana, very limited facilities at the Desert Natural Wildlife Range, and at Great Swamp we have some, hardly enough to accommodate the potential of that area which is less than 20 miles from metropolitan New York City.

Senator STEVENS. Does this action contemplate you will move the facilities outside the refuge?

Mr. GREENWALT. Not necessarily, but in order to accommodate what we already see as a growing number of visitors, to make it possible to provide parking and other facilities outside the areas that are heavily used by wildlife.

Senator STEVENS. Are you contemplating busing the people in from the parking lots? I do not understand what the advantage is from this type acquisition.

Mr. GREENWALT. We do not necessarily contemplate busing the people into any of these areas. It provides an opportunity to increase the facilities, little of which exist in any of these three areas at the present time, to make possible the utilization of these lands for such things as the visitor contact stations and other facilities necessary for the visitor to enjoy his visit, but certainly not to substitute for a visit to the interior of the refuge.

In addition, the Great Swamp area is largely wilderness by designation and motor vehicles, constructed facilities and this kind of thing cannot be allowed or built inside the wilderness.

#### ENVIRONMENTAL IMPACT STATEMENTS

Senator STEVENS. Have additional acquisitions been the subject of environmental impact statements of any kind with local input with regard to the additions in these areas?

Mr. GREENWALT. We always prepare an impact assessment prior to the acquisition of land, yes, sir.

Senator STEVENS. What about the local input? Are people in the area generally in accord with this type of acquisition outside of these areas?

Mr. GREENWALT. Yes, sir, I think they are generally in accord in each of these areas. Particularly in Great Swamp and Santa Ana there is, if anything, concern that we do provide these kinds of facilities. There is strong support in both of these areas by local people.

Of course, when an impact statement is prepared, there is provided the opportunity for local comment on the proposal and its alternatives as expressed in the impact statement.

Senator STEVENS. Would you summarize for the record your endangered species acquisition proposals and provide a detailed description of the program, including areas, acreage and estimated costs?

Mr. GREENWALT. We would be happy to, sir.

Senator STEVENS. Thank you very much.

[The information follows:]

endangered species proposals

The Fish and Wildlife Service's request for \$4.5 million is for the acquisition of essential habitat for the Mississippi sandhill crane and the endangered Hawaiian water birds, barring an emergency situation on another endangered species project.

Land acquisition and habitat management are needed to insure the survival of the Mississippi sandhill crane. It is estimated that only 40 of these large, non-migrating birds remain in existence. Their present distribution is only within Jackson County, Mississippi, near Ocean Springs and Fontainebleau. These birds are presently under great stress due to encroachment by housing subdivisions, a planned county airport, construction of an interstate highway, and the drainage of the wet savannah they inhabit. To date, utilizing the FY 1976 appropriation over 2,000 acres have now been acquired, \$1 million is available in Transition 1976 to acquire 864 acres, and \$2.5 million is requested in FY 1977 to acquire an additional 1,474 acres. This will leave 6,943 acres to be acquired at an estimated cost of \$7.6 million. It is hoped that the cost of the remaining habitat can be reduced through an easement or other land use agreement with the major landowner, a large paper company.

Much of the native wildlife of the Hawaiian Islands has become extinct or is threatened by extinction. Already, this State has lost more of its native birdlife than any other area in the world. Within the past 150 years, 24 of the 70 native species have been lost and 29 more are now threatened with extinction, primarily due to declining habitat. Of the seven kinds of waterfowl or water birds native only to Hawaii, six are in danger of extinction. Housing and commercial developments are fast encroaching on the last remnants of wetland habitat necessary to sustain these water bird species and immediate action is needed to prevent their decimation. Through FY 1975, \$2 million has been appropriated for Hawaiian water bird acquisitions and has acquired 1,095 acres on the Island of Kauai. The FY 1976 appropriation of \$2.3 million and \$.5 million in transition quarter 1976 will acquire 585 acres on the Islands of Oahu, Hawaii and Molokai. The 1977 request of \$2 million will result in the completion of Kahuku Unit on the Island of Oahu and Kealia Pond on Maui, totaling 775 acres. It is estimated that an additional \$4.0 million will be required to complete protection of an additional 760 acres of water bird habitat.

#### REQUEST FOR CONDEMNATION DEFICIENCIES

Senator STEVENS. What is the need for the deficiencies request of \$1.2 million?

Mr. GREENWALT. The primary need of the request is for a deficiency on a 1,618-acre tract on Tenasillahe Island, Oreg., acquired by Declaration of Taking in December 1973 for the endangered Columbian white-tailed deer. The United States District Court entered a judgment in May 1975 and ordered payment of \$1,613,850 as just compensation, together with 8 percent per annum interest on \$848,650 from Dec. 21, 1973. The deficiency for this taking as of December 1976 will be approximately \$1,050,000. The remaining \$150,000 is for anticipated deficiencies on condemnation actions currently pending before the Federal courts on another tract for the Columbian white-tailed deer and on two recreation acquisitions in Florida and North Carolina.

#### ENDANGERED SPECIES ACQUISITION

Senator STEVENS. Last year your request for endangered species acquisition was reduced by \$500,000. What portion of the requested 1976 program was deferred?

Mr. GREENWALT. The request for endangered species was reduced \$500,000 in fiscal year 1976 and an additional \$500,000 in the transition quarter of fiscal year 1976. This was reduced to facilitate the appropriation of funds for acquisition at the Great Dismal Swamp. This necessitated reducing the acquisition of lands necessary for survival of the endangered Mississippi sandhill crane and Hawaiian water birds. Funds for these two acquisitions are within our fiscal year 1977 request. However, it was necessary to restrain these requests in deference to the request for \$1.6 million for San Francisco Bay Refuge because the authorization expires with fiscal year 1977.

#### GREAT DISMAL SWAMP ACQUISITION

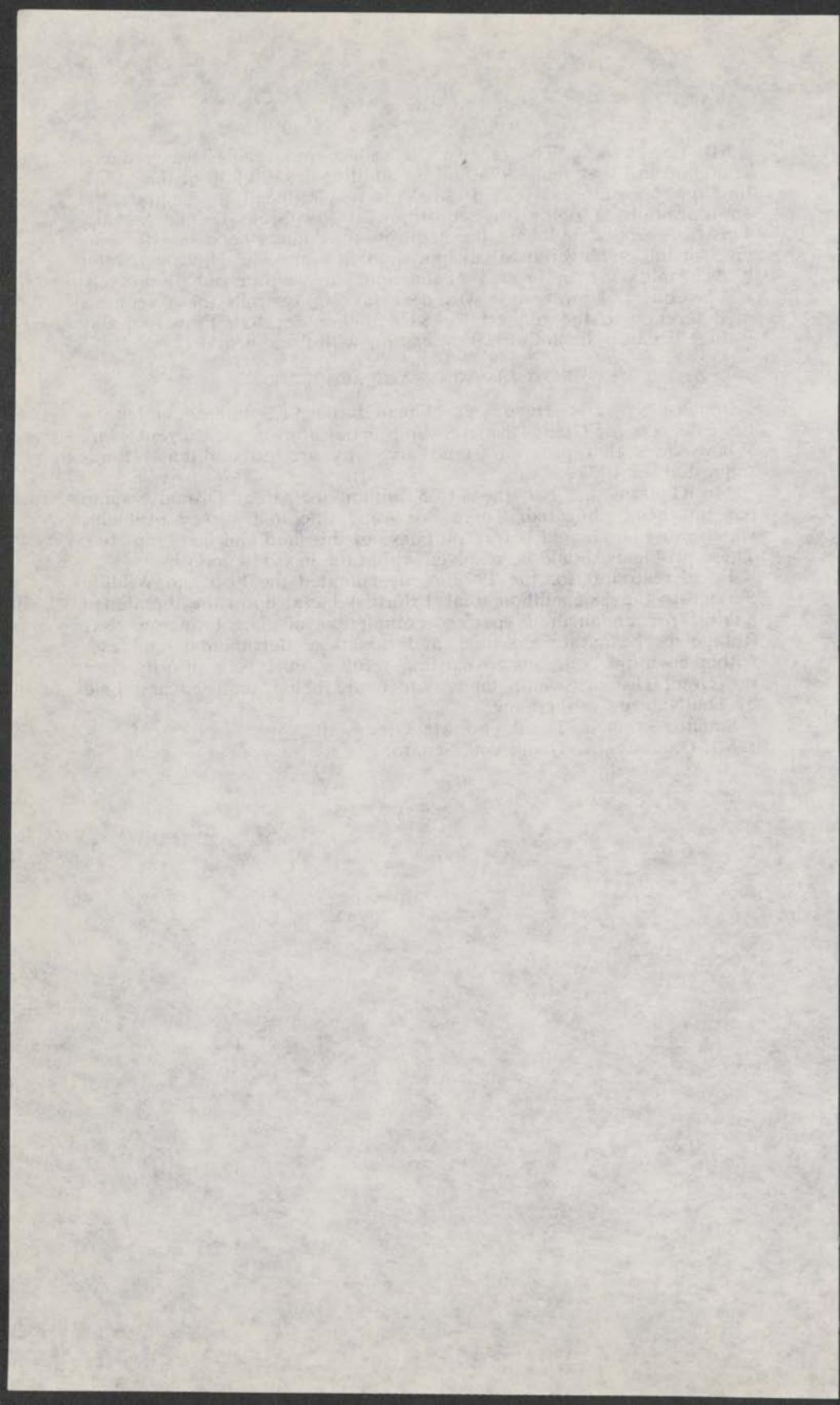
Senator STEVENS. Have you obligated the \$1.2 million added by the Congress for Great Dismal Swamp acquisition in the current year? Where does that program stand and why are no additional funds requested for 1977?

Mr. GREENWALT. No, the \$1.25 million for Great Dismal Swamp has not been obligated. There are some title and survey problems which must be cleared before purchase of this land can be completed. These problems should be resolved within the next few months.

Fiscal restraints for the 1977 request limited the Fish and Wildlife Service to the \$8.5 million total. Priorities based upon the threatened habitat for endangered species, completion of San Francisco Bay Refuge in the authorized time, and threats of detrimental land uses within essential additions to existing refuges must take priority over the Great Dismal Swamp lands, which are being acquired and held by The Nature Conservancy.

Senator STEVENS. Thank you, Mr. Greenwalt.

Mr. GREENWALT. Thank you, Senator.



BUREAU OF LAND MANAGEMENT

(LAND ACQUISITION)

STATEMENT OF GEORGE D. LEA, DEPUTY ASSISTANT DIRECTOR  
OF RESOURCES

ACCOMPANIED BY JIM CURRIVAN, BUDGET ANALYST

BUDGET ESTIMATE

Senator STEVENS. Let's turn now to the Bureau of Land Management request for \$2 million, the same as the current year.

Mr. Koenings, are you here—Mr. Lea, sorry.

Mr. LEA. Mr. Chairman, it is a pleasure to be here. I am sorry that Mr. Koenings is in the building conferring with committees on other subjects, and he asked me to be here for him. I am his deputy, and I have with me Mr. Jim Currivan, who is our Budget Analyst.

Let me summarize briefly, the Bureau's fiscal year 1977 budget request for the Land and Water Conservation Fund totals \$2 million for acquisition activities in four areas: the Rogue National Wild and Scenic River in Oregon, the Pacific Crest Trail in southern California, the King Range National Conservation Area in northern California, and the Rio Grande Wild and Scenic River in New Mexico.

In the Rogue National Wild and Scenic River, this program will enable us to acquire an additional 400 acres.

In the Pacific Crest Trail area, this budget will acquire 41 acres in California.

In the King Range National Conservation Area, under this budget we will acquire through exchanges 3,200 acres, and this will complete our acquisition plans in the King Range—within the existing King Range boundary.

The Rio Grande Wild and Scenic River in New Mexico, this program will enable us to acquire 153 acres, and this will complete our acquisition plans in this area.

If you have any questions I will be happy to answer them.

[The statement follows:]

Mr. Chairman:

The Bureau of Land Management's fiscal year 1977 budget request for the Land and Water Conservation Fund totals \$2,000,000 for acquisition activities in four areas: the Rogue National Wild and Scenic River in Oregon, the Pacific Crest Trail in Southern California, the King Range National Conservation Area in Northern California, and the Rio Grande Wild and Scenic River in New Mexico.

The Bureau's portion of the Rogue National Wild and Scenic River, authorized by Public Law 90-542, consists of 14,268 rugged acres adjacent to a 46.6 mile stretch of the River. Some 9,510 acres were already in Federal ownership when legislation was passed in 1970 to preserve this fabulous white-water river. Of the remaining acreage, 4,431 acres was scheduled to be acquired with Land and Water Conservation Funds. Approximately 2,584 acres will have been acquired by the end of the Transition Period. An additional 400 acres will be acquired utilizing the \$1,750,000 requested in this budget. Current plans call for acquiring the remaining 1,447 acres by the end of fiscal year 1979.

The Pacific Crest Trail, which extends approximately 2,350 miles from Mexico to Canada along the mountain ranges of the west coast states is one of the first National scenic trails, and is jointly managed by BLM and the Forest Service. Total acquisition requirements for BLM managed portions of the trail are 155 miles or 267 acres. By the end of the Transition Quarter we will have acquired about 217 acres. Our fiscal year 1977 program of \$157,000 provides for acquiring 41 acres in California.

The King Range National Conservation Area consists of 52,000 acres bordering the Northern California coastline. Some 31,000 acres were already in Federal ownership when legislation was passed in 1970 to formally establish the area as a National Conservation Area. Of the remaining acreage, 17,150 acres was scheduled to be acquired with Land and Water Conservation Funds. Approximately 13,950 acres will have been acquired by the end of the Transition Quarter. An additional 3,200 acres will be acquired through exchanges which will be facilitated with the \$46,000 requested in the budget. This will complete our acquisition plans within the King Range boundary.

The 53 miles of Rio Grande Wild and Scenic River in New Mexico consists of 16,880 acres of which the Bureau's portion is 15,441 acres. When legislation was passed in 1968, 13,941 acres were already in Federal ownership with 1,500 acres scheduled to be acquired with Land and Water Conservation Funds. Approximately 1,347 acres will have been acquired by the end of the Transition Quarter. The remaining 153 acres will be acquired with the \$47,000 requested in this budget. This will complete our acquisition plans for the Rio Grande Wild and Scenic River.

## KING RANGE PROBLEM

Senator STEVENS. Has the full King Range problem that we were told about last year been solved yet?

Mr. LEA. In terms of the boundary?

Senator STEVENS. Yes.

Mr. LEA. It is being handled. We determined we needed authority to modify the boundary, and it is now included within the organic act, the House's version of the organic act. We modified the request, and if and when the boundaries are modified and we determine the need for additional money, we will make a request.

But with this program here, we will acquire 3,200 acres within the existing boundary.

Senator STEVENS. What is the situation with regard to the Rogue River? Your justification states \$1.7 million and that this level is sufficient to complete acquisition by the legislative deadline. How much remains to be acquired, and what will be the cost?

Mr. LEA. There will remain 1,447 acres at the end of fiscal year 1977. I will have to do some arithmetic on the amount.

Senator STEVENS. Will you supply that for the record?

[The information follows:]

The estimated cost of the remaining 1,447 acres will be the same as the remaining amount of the authorized ceiling, that is \$3,397,000. Escalating land values could, however, preclude implementing all planned acquisitions within the present ceiling.

## LAND EXCHANGE AUTHORIZATION

Senator STEVENS. How much are you using your land exchange authorization?

Mr. LEA. We are using the land exchange authorization to the extent that we can. We are having some success in some areas, and in others we are not.

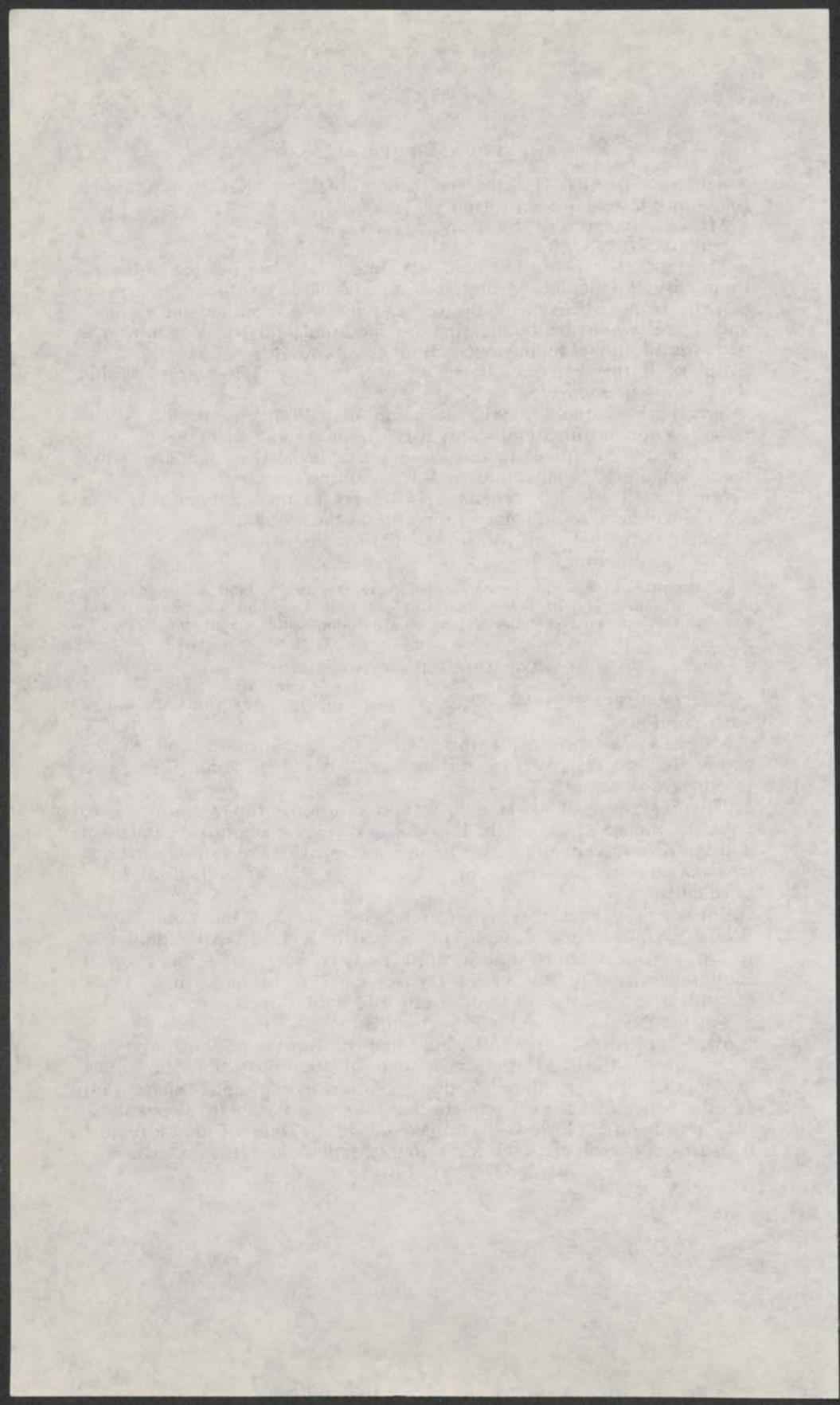
The biggest problem is that we do not have the opportunity to equalize values. Once again, the House's version of the Organic Act and the Senate version of the Organic Act provides for an opportunity to streamline our exchange program and provide for equalization of payments.

But we do pursue that opportunity as we have in the King Range. Where we have lands—usually these involve a third party situation—where we have lands that a third party is interested in. Then it is quite successful. But in most cases we do not have these kinds of lands that are adjacent to or contiguous with a third party's interest.

Senator STEVENS. Thank you very much.

Mr. REED. Mr. Chairman, I would like to observe that having visited the Rogue with BLM, that it is one of the most fantastic treats in America. The job they are doing is outstanding, and I share with you the concern that we complete that purchase as rapidly as possible.

In the Pacific Northwest, it has got to be one of the foremost river trips a person can take for a quality experience. It is fantastic.



BUREAU OF OUTDOOR RECREATION

(LAND ACQUISITION)

STATEMENT OF JOHN W. CRUTCHER, DIRECTOR

ACCOMPANIED BY:

JOSEPH W. GORRELL, DEPUTY DIRECTOR

EDWARD J. CURVEY, ASSISTANT DIRECTOR FOR MANAGEMENT AND BUDGET

A. HEATON UNDERHILL, ASSISTANT DIRECTOR FOR STATE PROGRAMS AND STUDIES

FRED L. JONES, ASSISTANT DIRECTOR FOR FEDERAL PROGRAMS AND PLANNING

WILLIAM C. DENT, CHIEF, DIVISION OF BUDGET AND FINANCE

BIOGRAPHY AND PREPARED STATEMENT

Senator STEVENS. Let me turn now to the Bureau of Outdoor Recreation.

Mr. Crutcher, you were involved before in the questions of Senator Bellmon, but let's put your biographical sketch in the record along with the full text of your prepared statement.

[The biography and statement follow:]

## BIOGRAPHY OF JOHN CRUTCHER

John Crutcher of Kansas became Director of the Interior Department's Bureau of Outdoor Recreation on November 11, 1975. One of his first actions was to implement his conviction that the Bureau could best deliver recreation services to the people if the BOR regions were strengthened. He issued orders broadening the authority of regional directors in dealing with States across the broad spectrum of recreation programs.

As Director of BOR, Mr. Crutcher brings his long experience in government to bear upon the management of the \$300 million-a-year Land and Water Conservation Fund, a matching grant program that serves all States by providing monies for recreation land acquisition and facility development and which constitutes the budget for Federal recreation land acquisition. He is in charge of national programs to study potential National Wild and Scenic Rivers and National Scenic and Recreation Trails and manages nationwide recreation planning. BOR serves all Federal agencies, State and local governments and private organizations concerned with outdoor recreation and promotes coordination of outdoor recreation programs throughout the Federal Government.

A successful businessman in Hutchinson, Kansas, Mr. Crutcher served in the Kansas State Senate for four years and was twice elected Lieutenant Governor serving with both Republican and Democratic Governors. He was a strong and effective advocate of State-supported local education, prison reform, and conservation and recreation programs.

Mr. Crutcher entered Federal Government service in 1969 with appointment to the Office of Economic Opportunity where he headed the Office of State and Local Government. He resigned from the anti-poverty agency in 1974 to become Administrative Assistant to Kansas Senator Robert Dole.

Enlisting in the United States Navy in 1942, Mr. Crutcher served on active duty in both World War II and the Korean War. He has remained in the Naval Reserve and wears the eagles of a Navy Captain.

Mr. Crutcher is past president or board member of a wide range of Kansas State civic, philanthropic and military organizations. He has served on the Board of Governors of the National Council of State Governments.

A world traveler, both as a private citizen and a U.S. Government representative, Mr. Crutcher has been behind the Iron Curtain twelve times and has had marathon interviews with Russian Premier Nikita Khrushchev and other top Communist bloc leaders. He led a large group of Kansans on the "Kansas Legislative Seminar" to Europe in 1967 and interviewed the British Prime Minister at No. 10 Downing Street.

Mr. Crutcher and his wife Edith make their home in Washington, D.C.

The fourth director of the 13-year-old bureau, Mr. Crutcher succeeds James Watt who was appointed to the Federal Power Commission.

## PREPARED STATEMENT

Mr. Chairman,

This is my first opportunity to appear before your Committee. During the three months that I have been Director, a number of pluses about the Bureau and its programs became evident to me. I wish to mention several of the most prominent.

First, is the strong bipartisan support of the Bureau's programs by your Committee. You may be assured that it is my firm resolve that the Bureau will continue to carry out its responsibilities as the Federal focal point for outdoor recreation in a manner which will continue to merit your support.

Second, from initial contacts with State and local officials, it is evident that the Bureau's administration of the Grant assistance portion of the Land and Water Conservation Fund is viewed very favorably. Also, the 1973 Federal Assistance Review report on Federal category grant programs indicated that the administration of the Land and Water Conservation Fund made it one of the most responsive Federal programs in terms of quick processing of applications. At that time, the project approval turnaround was an average of 40 calendar days; it is now an average of 24 calendar days.

Third, the cooperation given by the Park Service, Fish and Wildlife Service, Forest Service, and Bureau of Land Management to the Bureau and to each other in obtaining the maximum benefit from the Fund each year for acquiring the most necessary lands has been most rewarding.

Fourth, the Bureau programs have received very strong support from our immediate boss, Assistant Secretary Reed, who has a nationwide reputation and record of solid accomplishments in the field of conservation and recreation. He has been very helpful and encouraging to me in getting meshed into my new job of Bureau Director.

And finally, but very importantly, I found the Bureau to be staffed with professional and dedicated employees who effectively carry out our substantial and expanding recreation planning, coordinating, financial and technical assistance responsibilities. Our Bureau is among the smallest, yet has one of the broadest charters.

#### Salaries and Expenses

The Bureau's FY 1977 request for the Salaries and Expenses appropriation is \$6,187,000. This is an increase of \$290,000 over FY 1976. Approximately one-third of this increase is for uncontrollable items of pay costs and GSA space costs.

Of the total Salaries and Expenses request, \$3,214,000 is for Planning and Research activities. We are requesting an increase of \$100,000 for our Nationwide Planning subactivity. As you know, the initial Plan was submitted to the President and Congress in November 1973. A revision of the initial Plan must be transmitted to the Congress by January 1, 1979, as required by Public Law 88-29. To meet this deadline, the revision must be put in final form and cleared in FY 1978. To accomplish this we need current and trend information on many facets of outdoor recreation demand and needs. We are confident that we can evaluate and synthesize data already available. We do not

anticipate the need to collect new data for this purpose. We plan to focus our attention on the Federal programs during FY 1977 and the role they can play in meeting future needs.

A major thrust of the Planning and Research activity is the conduct of wild and scenic river studies. In FY 1976, Congress added funds for the initiation of a number of the 29 new studies authorized by Public Law 93-621. The Bureau has the lead responsibility for 13 and shares the lead responsibility with the Forest Service on three others. The Forest Service has the lead on the remaining 13 studies. All studies must be completed by October 2, 1979, in accordance with the Law.

These studies have been increasing in complexity as a result of the need to consider the requirements of the National Environmental Policy Act of 1969 (including the preparation of environmental impact statements), various State and Federal water quality acts, and the new principles and standards for planning water and related land resources development by the Water Resource Council. These Federal standards require all water and related land resources development projects and wild and scenic river proposals consider a full range of alternatives and the environmental consequences of each. This is necessary so that decisionmakers will be fully aware of the trade-offs in benefits, losses and costs to be evaluated when considering proposals to be sure that all alternatives are considered. Also, if a river to be studied is known to be directly involved with power development proposals, oil shale extraction or water supply for coal processing, acceleration of the study is a must in view of energy needs.

Water development proposals will be investigated and development reports reviewed to determine impacts on recreation use and significant natural resources as a part of the Planning and Research activity. The Bureau will provide recreation planning assistance to Federal, State and local governmental agencies and the private sector in the formulation of project plans to assure that full consideration is given to the potentials for enhancement of outdoor recreation and that proposed development is coordinated with other recreation programs and projects in the area. The Crabtree Creek Flood Control Project of the Corps of Engineers is an example of this work. The project area involves 16 miles of Crabtree Creek flowing through the city of Raleigh, North Carolina, to its confluence with the Neuse River. The Bureau developed the recreation component for the overall study as well as a conceptual plan for the flood plain as a non-structural alternative solution highlighting the complementary use of the area for open space and recreational pursuits. Emphasis will be given to those programs which afford opportunities for meeting recreation needs of metropolitan populations such as the Corps of Engineers Urban Studies and waste treatment management planning under the provisions of Section 208 of the Federal Water Pollution Control Act Amendments of 1972. The Bureau also will assist utility companies in planning for recreation use in connection with Federally licensed hydroelectric and nuclear power plants; thereby encouraging the private sector to provide significant public recreation opportunities.

The FY 1977 budget request for the Federal Coordination activity is \$1,602,000. The request includes a proposed increase of \$115,000 to initiate the incorporation of additional State-provided data into the Bureau's automated recreation information system. As a result of State planning activities and a number of studies and surveys by various public and private organizations, there is a substantial body of information available on the Nation's outdoor recreation resources. In

FY 1976, the Bureau is initiating the implementation of a recreation planning information retrieval, update, and exchange process, with its goal to provide coordinated Federal and State recreation data for exchange and support of Federal, State, local and private programs.

The States are a primary source of recreation data, through their normal budget, planning, and special studies programs. The Bureau is and has in several program areas coordinated many diverse efforts in order to accomplish systematic data collections with common definitions, specifications and standards.

The Bureau's Federal Coordination efforts seek to maximize the effectiveness of Federal recreation expenditures. During FY 1977 the Bureau will emphasize its efforts to review and coordinate proposals for increased utilization of Federal land through cooperative management by State and local governments. The Bureau will identify existing and potential recreation lands which are of interest to non-Federal agencies and which are not necessary for the primary mission of those agencies. The Bureau is coordinating the development of guidelines for cooperative management of such Federal lands by non-Federal agencies. Under the Federal Coordination activity, the Bureau will also continue substantial efforts in the review of environmental impact statements and Section 4(f) reports for Federal highway projects, giving priority to those statements which indicate a probability of major recreation environmental consequences.

The FY 1977 budget request for Technical Assistance is \$1,371,000. During the fiscal year, the Bureau will continue its priority emphasis on a highly successful program--the transfer of surplus Federal properties to States and their political subdivisions for park, recreation and historic monument purposes. As of June 30, 1975, 544 surplus Federal real properties totalling 76,346 acres and nearly \$213 million in value were announced by the White House for transfer to States and their political subdivisions. Through the first six months of FY 1976, 47 properties totalling 2,332 acres and nearly \$9 million in value have been approved. It is anticipated that an additional 94 properties totalling over 4,600 acres and nearly \$25 million in value will have been transferred during the balance of FY 1976. Approximately 120 properties will be applied for during FY 1977. This will increase the Bureau's responsibility for compliance inspections to over 1,000 transferred Federal properties. This includes over 400 previously conveyed properties at 50% of fair market value plus approximately 600 conveyed at no cost to the recipient.

The Bureau will also give emphasis to its efforts to realize the relatively untapped potential of substantial resources of the private sector through donations of privately owned land or funds for public outdoor recreation purposes. Bureau funds and manpower are not used to assist private recreation interests in profitmaking enterprises. Rather, the Bureau's experience in FY 1975 and 1976 to date illustrates that private interests are willing and able to make a greater contribution to increasing public recreation opportunities if these opportunities are brought to their attention. At mid FY 1976 we have caused over 20,000 acres of land and water, valued at over \$10 million, to be dedicated to public recreation use. Related to half of the Technical Assistance budget (less the surplus property component of that item), we have obtained \$21.00 in public recreation value for every \$1.00 expended.

Land and Water Conservation Fund

I am pleased that the President's FY 1977 budget request continues full funding of the Land and Water Conservation Fund. Your Committee is well aware of the tremendous contribution this Fund has made in meeting the Nation's outdoor recreation and conservation needs.

Through FY 1976, approximately \$1.4 billion dollars have been appropriated by the Congress for matching grants to the States. At the present time the Bureau has approved approximately 15,000 Land and Water Conservation Fund projects providing over \$1.0 billion in assistance. This breaks down into approximately 9,500 development projects; over 4,000 acquisition projects; over 1,000 combination acquisition and development projects; and more than 200 planning projects. The acquisition and combination projects have added approximately 1.4 million acres to the recreation estate.

Approximately 1.5 million acres of Federal recreation lands have been purchased with Fund monies through June 30, 1975, at a cost of approximately \$800 million. Obviously, Mr. Chairman, these brief statistics about the Land and Water Conservation Fund do not begin to convey the magnitude of the outdoor recreation opportunities that are available and being used by the American people.

Our request for FY 1977 is as follows:

Assistance to States	\$175,516,000
Federal Programs	117,759,000
Administrative Expenses	6,725,000
Total	\$300,000,000

The request also provides, in accordance with Section 5(b) of the Land and Water Conservation Fund Act, for the repayment of prior year appropriation advances to the Fund in the amount of \$62,191,000. This action will be accomplished by a reduction in the unappropriated balance in the Fund and a credit to the General Fund of the Treasury.

Assistance to States

The FY 1977 request for \$175,516,000 to fund matching grants to States and their political subdivisions is essential to continue programs for acquisition of needed outdoor recreation land and development of facilities for public recreation use. This proposed funding level is in accord with the Administration's intent to give priority assistance to States in meeting the recreation needs of their citizens--needs which they know best. The States have demonstrated the ability to match and to obligate funds at a level that will continue an orderly and efficient program.

Federal Programs

Funds in the amount of \$117,759,000 are requested for land purchases for the Federal agencies to be allocated as follows:

National Park Service	\$77,303,000
Forest Service	29,961,000
Fish and Wildlife Service	8,495,000
Bureau of Land Management	2,000,000

The program gives emphasis to urban related recreation areas, natural and historical preservation and endangered species habitat. Recently authorized areas in these categories that are to receive funding in FY 1977 include Big Cypress National Preserve, Big Thicket National Preserve, Cuyhoga Valley National Recreation Area and Sawtooth National Recreation Area. We believe the other specific proposals represent proper priorities for acquiring the lands Congress authorized. With me are the Directors of the National Park Service, Forest Service, Fish and Wildlife Service and Bureau of Land Management who can give you the details of their Bureau's requests.

It has come to our attention after the publication of the budget justification that the Forest Service had included a request for the Chattooga National Wild and Scenic River that exceeded the authorized ceiling by \$667,000. We understand the Forest Service desires that the request for Chattooga National Wild and Scenic River be reduced to \$872,000, which is within the ceiling, and that the \$667,000 be appropriated for other areas. The Forest Service requests that \$76,000 be added to the request for the Middle Fork of the Clearwater River in Idaho, \$487,000 be added to the request for the Rogue River in Oregon, and the remaining \$104,000 be added to the request for the Feather River in California.

#### Administrative Expenses

Funds in the amount of \$6,725,000 are requested for the Bureau of Outdoor Recreation for administration of the Land and Water Conservation Fund. The request represents an increase of \$372,000 over FY 1976. About 17% of this increase is for the noncontrollable item of pay costs. The balance of the increase is for improving the Bureau's capability to obtain comparable up-to-date financial and visitation data on State and local recreation programs. This is essential if we are to see that funds are directed to meet the priority national recreation needs for which Congress has authorized them.

We plan to contract with States and private sources to obtain this information. Preliminary studies indicate that about four-fifths of the total public expenditures for outdoor recreation are being made by State and local governments. We feel that it is important for the Administration and the Congress to have better information on these efforts and their results so that the Federal recreation expenditures can be wisely made.

## INTRODUCTION OF ASSOCIATES

Senator STEVENS. I would be happy to have you highlight your statement in any way you wish. Introduce your associates for the record, please.

Mr. CRUTCHER. Thank you very much, Mr. Chairman.

I would like to introduce my associates, Mr. Joe Gorrell at my right, my Deputy Director, has already been introduced. I have three other capable key members of my staff here: Assistant Directors Mr. Heaton Underhill and Mr. Fred Jones, and chief of our Division of Budget and Finance, Mr. Bill Dent.

I cannot say enough about the really splendid staff I inherited from Mr. James Watt, my predecessor here at the Bureau of Outdoor Recreation.

Mr. Underhill has been Director of Parks, Director of Fish and Wildlife Services for the State of New Jersey, and Mr. Jones is former Director of the State Park System in California. They know what the game at the state and local levels is all about.

Mr. Dent has been a long-time and very capable member of the staff here in Washington.

## OTHER PERSONNEL

Across the country I have a great corps of professionals working out of seven regional offices. They are well motivated, and from the contacts I have made at the State and local government level, we are well received everywhere.

In your own State of Alaska we have a State liaison officer out there, Mr. Russ Cahill, Director of Parks, who works very closely with our office staff in Seattle. In addition to that, we have in your State the only arrangement of its kind in the Union. We have a State office supplementing the office staff that we have in Seattle. We have a man named Bill Thomas in charge of that office, and from all reports that I have he is doing a very useful service up there with his three other people.

Of course, I am exceedingly happy that we have had the tremendous support for the Land and Water Conservation Fund that we have had from Secretary Kleppe. He has been a genuine tower of strength in getting full funding for the Land and Water Conservation Fund.

Secretary Reed has been around a long time now, and he knows what this game is all about. And it is a genuine privilege for me to work on his staff. So I am very favored with staff structure in the Department of the Interior.

I would like to say a couple of other things about my program.

## STATE GRANT OPERATION

We have one of the most efficient grant programs in the federal government. About four years ago the Office of Management and Budget made a survey of the federal grant programs, and they made special commendatory remarks about the Bureau of Outdoor Recreation, how speedy we were in getting out our grants. At that time, I think from the time the grant application came in until the approval of funds, it was something like 40 days. We have now worked that time down to 24 days, and the tendency is to decrease that time

still further, indicating how very efficient our grant program is out at our regional level.

#### ENVIRONMENTAL PROGRAMS OPERATION

I would also like to say a couple of words about our environmental programs. Today about 10 or 12 percent of our staff times goes in environmental programs. We are dedicated to doing a good job here.

Every one of our grants, applications, has at a minimum an environmental assessment, and sometimes a full environmental statement. We review something over 2,000 environmental statements every year.

We think this is a very important part of our operation. We do these for other Federal agencies, for State agencies, whenever we think they impact in our area of outdoor recreation. These reviews frequently give us opportunity to point out overlooked recreation opportunities which could be realized at projects being proposed.

#### TECHNICAL ASSISTANCE OPERATION

One other comment I would like to make just briefly, and that is about our technical assistance operation. I think sometimes this has been misunderstood, and perhaps we should call it something like gentle persuasion instead of technical assistance, because it really consists of persuading for the most part corporate officers, private individuals, to contribute their land or resources to park and recreation development at a State and local level.

We have been very successful with this program in the last couple of years, the technical assistance program. During the last 6 months of calendar 1975, for every Federal dollar we put into the technical assistance program, we have more than \$21 of benefits accruing to park and recreation resources at the local level. So it has been a very successful program.

#### ASSISTANCE TO STATES

Senator STEVENS. What States do not participate now?

Mr. CRUTCHER. They all participate now.

Senator STEVENS. There are no States that are not eligible for grants now?

Mr. CRUTCHER. No, sir, they are all eligible.

Senator STEVENS. I gather from what you have said and what I have read, we are travelling along about the same program in fiscal 1977 that you had in 1976 and the transition quarter, is that right?

Mr. CRUTCHER. Yes, sir, it would be quite similar.

Senator STEVENS. Is there any question that the States will be able to use that money in 1977?

Mr. CRUTCHER. We have no doubt about that at all.

Senator STEVENS. What is your unobligated balance estimate? Is it still about \$25 million?

Mr. CRUTCHER. I will furnish that for the record. I believe we have already given that, and if we have not, we will provide that for the record.

Senator STEVENS. Am I correct that that is \$25 million out of about \$175 million?

Mr. CRUTCHER. Yes, sir, if you assume it is all from new funds. However, we estimate that there will be \$200 million available for grants in fiscal year 1977, including an unobligated balance of \$25 million at the beginning of the year.

#### STATE ASSISTANCE UNOBLIGATED BALANCES

Senator STEVENS. It appears that you are reducing the unobligated balance by a considerable margin as you go into fiscal 1977. How is this being accomplished? Are the States moving more quickly?

Mr. CRUTCHER. The unobligated balance definitely has been reduced by a considerable amount; from \$166.4 million as of June 30, 1972, to \$37.3 million as of June 30, 1975. In large measure the aggressive actions of the States to obligate available funds toward growing citizen demands for outdoor recreation has been responsible for the reduction. The States have accomplished this reduction even though the Act provides that the States have three fiscal years in which to use apportioned funds. We believe this demonstrates their commitment to the program. The \$175.7 million apportioned in 1976 added to the \$37.3 million gives a total of \$213.0 million available during fiscal year 1976. As of the end of January this available amount was reduced to \$176.6 million. The reason for the large balance of \$176.6 million dollars so late in this fiscal year is that the appropriation was not made until the latter part of December. However, we estimate this will be reduced to \$24.9 million by the end of fiscal year 1976.

Senator STEVENS. What causes that level of unobligated balance?

Mr. CRUTCHER. The States have 3 years to get their funds obligated, and we feel that this is a fairly normal level of unobligated funds considering that they have that long a time to obligate their moneys.

Mr. REED. I used to be appalled by that figure, Mr. Chairman, and it is really a trump in the sense that the BOR carries that as unobligated in the financial tables until local communities, towns and counties within the State come up with their share of a local project in the State office, or from the State office to make the grant request to the BOR.

Although it looks like a large amount of money, when you get down to the individual projects, most of them are ready to go. They are in the process of getting ready to go, and they have this 3-year time frame to put the deal together between cities and counties.

I am glad you raised it because the first impression one gets on seeing that large figure is, gosh, they do not need any more money in the local area. While the money is technically unobligated it is committed to specific projects.

Mr. CRUTCHER. That is correct. When you deal with three levels of government—Federal, State and local—as Secretary Reed explained, by the time that delay encompassed in all of that massaging of grants takes place, you will have that kind of a lag, and that is a fairly normal state of affairs.

Senator STEVENS. Please supply for the record a table showing

obligations and unobligated apportionments by State for fiscal 1976 through December.

Mr. CRUTCHER. If I may, I would like to submit a table showing the information through January.

Senator STEVENS. That will be better.

[The information follows:]

LAND AND WATER CONSERVATION FUND  
ASSISTANCE TO STATES  
OBLIGATIONS 7/1/75 - 1/31/76 AND UNOBLIGATED BALANCES  
AS OF 1/31/76

	Obligations 7/1/75 - 1/31/76	Unobligated Balance 1/31/76
Alabama	\$ 1,588,026	\$ 1,443,677
Alaska	1,279,856	1,277,364
Arizona	782,144	2,074,085
Arkansas	81,352	2,121,226
California	275,415	12,854,537
Colorado	1,052,635	2,307,708
Connecticut	412,972	2,920,421
Delaware	-0-	3,942,369
District of Columbia	72,411	661,125
Florida	-0-	4,817,137
Georgia	841,080	2,857,207
Hawaii	238,556	1,576,943
Idaho	641,811	1,272,335
Illinois	2,553,426	6,978,706
Indiana	1,087,369	2,790,202
Iowa	1,356,552	2,480,737
Kansas	798,276	1,448,846
Kentucky	568,702	2,339,930
Louisiana	1,062,822	2,720,671
Maine	355,469	3,508,526
Maryland	315,734	4,225,668
Massachusetts	(349,557)	4,703,883
Michigan	1,271,674	6,455,275
Minnesota	783,312	4,335,332
Mississippi	906,757	1,802,947
Missouri	461,940	3,175,493
Montana	644,069	1,488,765
Nebraska	894,360	1,050,460
Nevada	971,658	1,382,584
New Hampshire	692,370	2,626,752
New Jersey	332,503	5,378,274
New Mexico	210,884	1,629,162
New York	708,600	10,352,653
North Carolina	1,463,286	2,317,766
North Dakota	441,372	1,163,330
Ohio	734,200	6,107,558
Oklahoma	538,046	2,395,575
Oregon	636,287	1,889,644
Pennsylvania	1,029,739	6,793,140
Rhode Island	1,405,131	2,902,781
South Carolina	235,123	2,171,549
South Dakota	229,258	1,429,768
Tennessee	1,634,106	1,504,573
Texas	2,171,154	5,485,391
Utah	720,065	1,167,445
Vermont	539,393	2,069,212
Virginia	596,170	4,482,392
Washington	649,597	2,504,090
West Virginia	248,180	2,124,039
Wisconsin	167,790	3,162,590
Wyoming	651,908	923,943
Puerto Rico	48,000	2,805,342
Virgin Islands	(260)	135,177
Guam	-0-	115,468
American Samoa	-0-	111,726
TOTAL	\$ 37,031,723	\$164,763,499
Contingency Reserve	-	8,941,341
Special Reapportionment Account	-	2,425,731
TOTAL	\$ 37,031,723	\$176,130,571

## WINTER OLYMPICS SPORTS FACILITIES

Senator STEVENS. I noted a considerable number of comments by participants in the recent Winter Olympics that our facilities for participation in many of the outdoor sports that are represented at the Olympics are very poor in this country compared to other areas. Do you have any particular program for review and assessment of the facilities available in this country compared to other countries, and what would be necessary to make a greater federal contribution to this program?

Mr. CRUTCHER. We have been asked to take a look at the facilities in New York, I guess it is Lake Placid, where I think they have some future interest in the upcoming Olympics.

Mr. Jones on my staff had a very intimate relationship with the Winter Olympics held in California while he was director of parks out there. If you would like, he could develop a paper for you on their experience in Squaw Valley, and its implication for the future of our participation in winter games in the United States.

Mr. REED. I think the Senator's question is well taken. I was dumbfounded also by the commentary that there was only one speed rink in the entire United States. But I am not sure that we should not undertake such a service.

Senator STEVENS. Only one bobsled run, only one speed rink in the United States, only one 50-kilometer laid out cross country ski run in Colorado. I was appalled to learn of the absolute dearth of facilities for training.

I think, Mr. Crutcher, by the time we get to Lake Placid or California, by the time they get to a place where events are going to be held, we see to it that there are facilities. But in between time, these young people apparently, some of them have gone all over the world. I guess our speed skaters went to New England and other places to train, and it seems strange to me that this would be the case.

I think it might be related to the problem of whether or not you could participate in facilities not totally outdoors. I really think we ought to have a review, and I would encourage you to look to some of the work being done by the President's Commission on Olympic Sports.

I think that we have to do something or we are going to end up just being completely out of this—the amazing thing is not that we got so few medals, but that we got any at all.

Mr. CRUTCHER. Yes, sir, we would be glad to be in touch with them and to review the whole exercise with you and give you any information we pick up.

Senator STEVENS. I will ask Mr. Herring of the staff to get in touch with you, because I think some of these things could be consolidated. As I understand it there is nothing to bar cross-country skiing in wilderness areas. Maybe in some of these places we could have some cooperative aspects of Federal programs.

I was appalled, for instance, to learn that the old Biathalane Forest in Alaska had been neglected to the point where it is no longer capable of being used.

## CONTINGENCY FUND

Senator STEVENS. Again in fiscal year 1977 some \$8 million in State assistance is being reserved for the Secretary's contingency fund. So that we can keep tabs on how that money is being utilized, please supply for the record the details of expenditures from this reserve to date in fiscal year 1976.

Mr. CRUTCHER. At the beginning of fiscal year 1976 the Secretary's contingency reserve had a carryover of \$5,260,073 to which the \$8,042,000 you have mentioned was added. To date, 11 projects have been approved for a total of \$3,866,745 during this fiscal year which leaves \$9,435,328 still available. I am submitting a list of those 11 projects for the record. Of the \$9,435,328 still available, \$993,000 has been committed to projects now being processed by the Bureau, leaving an uncommitted balance of \$8,442,328. The States currently have indicated they have in excess of some 40 projects requesting more than \$40 million in assistance from the Reserve Fund. As you can see, the requests for contingency reserve assistance far exceed the amount available and we will have some tough decisions to make regarding the \$8.4 million that is uncommitted.

[The information follows:]

LAND AND WATER CONSERVATION FUND  
CONTINGENCY RESERVE PROJECTS APPROVED IN FY 1976  
(AS OF FEBRUARY 20, 1976)

<u>State</u>	<u>Project Number</u>	<u>Project Name</u>	<u>Date of Approval</u>	<u>Amount</u>
Arizona	04-00313	Glendale Acquisition	7/15/75	\$ 310,000
Colorado	08-00544	Riverside Park	7/17/75	628,500
Texas	48-00146.2	Canyon Lakes	7/23/75	300,044
Louisiana	22-00373	English Turn Wilderness	8/7/75	509,000
Oklahoma	40-00336.1	Cocody Creek	8/29/75	17,545
Pennsylvania	42-00357	Keyser Valley Park	9/5/75	300,000
Illinois	17-00298	Edgewater-Warren Park	9/8/75	875,000
Louisiana	22-00374	Lovett Road Acquisition	9/26/75	82,789
Montana	30-00319	Colstrip Park and Open Space	9/26/75	526,617
Texas	48-00366	Fort Travis Sea Shorepark	11/10/75	200,200
Ohio	39-00406	Isaac Nature Preserve	12/19/75	117,050
Total FY 1976 Obligations to February 20, 1976				\$ 3,866,745

## CONTINGENCY FUND USAGE

Senator STEVENS. How are recommendations for the use of the contingency monies developed? What criteria are used in making a determination that one State or another should get a special grant?

Mr. CRUTCHER. Let me say at the outset that contingency moneys are allocated on a project-by-project basis and not on a State basis. Projects which contain requests for assistance from the contingency reserve are initiated and submitted by the States to the Bureau. We review each project and make our recommendation to the Secretary. In addition to meeting the same basic requirements for assistance as those projects being funded from the State's regular apportionment, Contingency Reserve projects must represent a bona fide emergency or necessitate urgent action to avoid the loss of a significant opportunity to provide increased recreational opportunities. Hence, only those projects of exceptional quality and merit are considered for assistance from the contingency reserve. Generally, acquisition projects which will save critical or unique recreational lands from loss to incompatible uses are assigned the highest priority for consideration.

In addition, the contingency reserve may, from time to time, be used by the Secretary to meet newly identified recreation needs of the American people. This is accomplished by fostering projects demonstrating new innovative concepts or approaches designed to increase outdoor recreation opportunities. The Contingency Reserve also affords the Land and Water Conservation Fund program with flexibility needed to meet unforeseen recreation needs created by natural disasters affecting recreation resources.

## FEDERAL PROGRAMS

Senator STEVENS. Just one question of the BOR on Federal programs. Your justification shows no unobligated balance anticipated at the close of 1976 and the transition period for Federal land acquisition. Is that still your estimate? Will all the currently available funds be obligated by September 30?

Mr. CRUTCHER. Yes, sir.

## CONNECTICUT ACQUISITION

Senator STEVENS. The committee has received a copy of a letter to Secretary Kleppe concerning a proposed federally-assisted acquisition by the State of Connecticut. One of the charges in the letter is that the value of the property in question has been inflated in order to obtain higher matching funds. We will give you a copy of the letter and ask you to respond to that particular charge for the record.

Mr. CRUTCHER. I will be glad to respond, Senator.

[The letter follows:]

DECEMBER 31, 1975

RE: PROJECT APPLICATION OF THE STATE OF CONNECTICUT OF 12/30/75

HON. T. KLEPPE,  
Secretary, Department of the Interior,  
Washington, D.C.

DEAR MR. KLEPPE: I beg you to at once halt granting approval to a project application for a grant from the Secretary of the Interior's Contingency Fund and subsequent BOR funds submitted for a State park on December 30, signed by Governor Grasso

and Joseph N. Gill, Commissioner of the State Dept. of Environmental Protection, and delivered to BOR on the 30th by an employee of the Governor's office, immediately following her announcement of her scheme to the affected area representatives.

As a resident and Federal taxpayer, I protest that the project application is a deliberately deceptive device to enable the State to acquire several millions of dollars from BOR funds by grossly overstating the value of a piece of land which the State intends to acquire through an intermediary (Nature Conservancy).

Overstating the value of the land in question by about sixteen-fold, the State, which will receive most of the land as a gift, will be able to collect matching Federal funds—if you sanction the project application—unethically, unwarrantedly, and probably illegally.

Specifically, the piece of property is in the towns of Sherman and New Fairfield, Connecticut. It is owned by a Mr. S. Weil, and is thought to be worth in the neighborhood of one million dollars. Though the State has been unwilling to reveal the expected purchase price, is our understanding that the State expects to have this land appraised for \$16 to \$22 million. The mechanics by which the State would use this inflated price and the gift-device to collect millions of Federal funds to which it is not entitled, are, I am sure, familiar to you.

This piece of land is uniquely unsuited for a State park, and two other State parks are within a mile of it.

Yours sincerely,

P.S. Under the Freedom of Information Act, kindly send me a copy of the State's project application.

DECEMBER 31, 1975

Mr. R. S. SMITH,  
Editor, *Newtown Bee*, Newtown, Connecticut

DEAR MR. SMITH: In case anyone thinks government swindles went out of fashion with Mr. Nixon, meet Governor Grasso and her Merry Men.

At the meeting of December 30, the Governor outlined to area representatives the deal she has cooked up for the Weil property on Candlewood Lake. Briefly, the scheme is this:

The property, 253 acres, will be appraised for some large amount, not specified but estimated at \$16 million and higher. I will use \$16 million for illustration.

Nature Conservancy will buy twenty-five percent of the property, paying Weil (say) \$4 million. Weil will donate the rest of the land to Nature Conservancy, establishing a gift of \$12 million.

Nature Conservancy will transfer ownership of the land, a certain portion each year, to the State. The State will receive credit with the BOR (Bureau of Outdoor Recreation of the U.S. Department of the Interior) for having spent \$16 million for recreation land, even though \$12 million of it was a "gift." Under the fifty percent matching-grant provision of BOR, the State will be reimbursed with \$8 million of the \$16 million it "spent." Of that \$8 million, the State will pay \$4 million to Nature Conservancy to pay Weil, but the remaining \$4 million is cash in the State's hands to spend on recreational development.

What is the significance of these maneuvers?

1) The State bilks the Federal Government (the taxpayers) out of several million dollars by grossly inflating the value of Weil's property.

2) Nature Conservancy is perverted to participate in this shady business, which has nothing to do with conservancy, since government's aim in these land-deals is intensive development. The reason for dragging in Nature Conservancy is to evade a BOR requirement that the State complete such a transaction within one year. Unless the transaction is spread over a number of years, the State can garner only a small fraction of the \$8 million, since only a limited allocation from BOR to the State is available in any one year.

3) Weil will also tap the taxpayers for a whopping profit, if the payment to him is around \$4 million, as assumed here. The property is assessed at a total of \$523,320. It is common knowledge that he paid \$1,250,000. It is unlikely that the market value exceeds that sum now.

Of course, Herman Wolf, who claims to be a friend of the Governor, and who worked out the deal, apparently expects to be compensated by Weil. On the other hand, Weil's "gift" of land will provide him with a tax deduction which should render tax-free his profits on the deal. This will bilk the U.S. Treasury of another tidy sum.

What can you do? Write your congressman and hold your nose.

Yours sincerely,

NATALIE SIRKIN.

## BOR RESPONSE TO LETTER

On December 30, 1975, the State of Connecticut indicated to the Bureau their intent to submit an application for assistance from the Land and Water Conservation Fund to acquire a 253-acre tract of land with 4.3 miles of shoreline frontage on Candlewood Lake. The proposed use of the land would be for a State park. The 5.6 thousand-acre lake is located in southwestern Connecticut and is a potentially significant public recreation resource. The land surrounding the lake is in private ownership and the acquisition would provide an excellent opportunity for public use of this resource. An appraisal obtained by the State and subsequently withdrawn by the appraiser, indicated a value of \$22.5 million for the property. The Bureau's review of the report, along with information that the property was purchased by the owner in 1971 for \$1.25 million, clearly indicated the need for new appraisal documentation prior to any consideration by the Bureau of a funding request. If a project is submitted to the Bureau, funding consideration will be given only after a thorough review of the appraisal documentation. Matching assistance would only be based on a realistic appraisal of fair market value.

## ADMINISTRATIVE EXPENSES

Senator STEVENS. You have an increase requested for data collection—\$307,000. Please expand on the one-sentence justification for this increase.

Mr. CRUTCHER. I will be happy to Senator. As you are aware, over the past few years there has been more and more pressure put on Fund resources. At the same time, the States have been assuming a more important role in the overall system of Government, especially as it affects environmental enforcement and conservation.

The facts are that State and local governments in 1975 spent some \$4.4 billion for recreation. We can identify some \$403 million in Federal grants-in-aid, which includes the L&WCF. We need to put these expenditures in better perspective in order to manage the fund properly. Also, we know very little about who uses State areas and need to put that into perspective.

There is an increasing need to get better information on the recreation opportunities being provided by the States and localities. This requires greater standardization of data and its analysis.

Over the last 11 years the Bureau has worked closely with the States to develop comprehensive statewide outdoor recreation plans. Although these plans have steadily improved, they do not provide a standardized approach to the collection of recreation data that is comparable on a multi-State or National basis. The States recognize this and increasingly support standardization.

The Bureau's own efforts through the nationwide plan activity have been limited to surveys every 5 years which do not meet the test of timeliness required to measure the effectiveness of Federal dollar investments.

The increase is not merely to "collect data." It will be used to assist in implementation of a Bureau adopted strategy of forming a partnership and providing a focus for intergovernmental cooperation among Federal and State agencies which are now collecting information, and in cooperation with these agencies, developing common specification and standards to provide for the systematic collection and exchange of information with the minimum of additional cost and the maximum utilization of existing information systems.

These funds will make it possible to develop a continuing data base at a fraction of the cost of past periodic ad hoc efforts.

Senator STEVENS. What exactly will the \$307,000 buy? Haven't you been collecting these kinds of data in the normal operation of the program?

Mr. CRUTCHER. From the beginning of the L&WCF the Bureau has collected information about Fund projects. However, it has not systematically collected comparable information about the total recreation programs of the States. This broader information is needed to put the Fund into perspective in each State—to show how Fund projects are used, and how the investment in the Fund projects relates to the total non-Federal public recreation investment in a State.

This information is needed every year, because the country has been undergoing significant changes in its social and economic conditions which affect the utilization of outdoor recreation facilities. For example, severe inflationary pressure and energy shortage have a profound effect on recreation participation.

As mentioned earlier, the goal is to set up the necessary cooperative projects with the States, so that the existing State planning process can be utilized to provide the standardized and systematic measurement collection and exchange of recreational data that is needed.

The emphasis and focus of the effort will be on the following major categories of information: Recreation use and the effectiveness of existing public investment in recreation areas, facilities, and programs; expenditures for public recreation through capital investment, operations and programs; and natural resource availability and major land use changes affecting the need for and availability of recreation opportunity.

#### CONTRACTUAL SERVICES

Senator STEVENS. Although your increase is for contractual services, I note the object class for "other services" declines by about \$100,000. What contractual services are being reduced?

Mr. CRUTCHER. The net decrease reflects adjustments related to funds for administration of Redwoods land acquisition, which do not involve a real reduction in contractual services. About \$400,000 of these Redwoods funds were carried over unobligated into fiscal year 1976. The object class estimates are focused on details, so they reflect the Bureau's realistic expectation that only part of these funds will be obligated in fiscal year 1976 and part will be obligated in fiscal year 1977. However, our total obligation estimates reflect the broader perspective of the President's budget, which anticipates that funds available for Federal land acquisition will be fully used in fiscal year 1976. To reconcile these estimates which are based on two different perspectives, and to make the object class amounts add to the totals, we adjusted the object class for "other services" upward for fiscal year 1976 and downward for fiscal year 1977. This causes the net decrease between the 2 years.

#### TECHNICAL ASSISTANCE

Senator STEVENS. Some of your technical assistance to States, as described on page 44 of the justification, sounds much like the type

of assistance provided under your salaries and expenses account. How do you differentiate? What portion of your administrative expenses funding and personnel goes to technical and planning assistance to the States? How much to the Federal agencies?

Mr. CRUTCHER. When we work with the Federal agencies in land acquisition matters, we all must look ahead and anticipate demands on the Fund. Updating 5 year projections and longer range claims on the Fund, both authorized and potential, is a continuous process. An important aspect of looking ahead and of working with the land managing agencies on the ground, is relating potential Federal acquisitions to plans of other jurisdictions—particularly States. Viable alternatives to Federal acquisition need to be thoroughly explored and developed. It is to such efforts that we were referring in our L&WCF administrative expense program description.

We have been using the term "technical and planning assistance" in referring to this aspect of L&WCF administration. One concerted effort is joint planning on the ground with the USFS to determine Recreation Composites for future acquisition. These plans must be geared closely with the plans of State and local governments. In many cases we are getting the State planners on the ground so there is a better Federal/State understanding of each other's effort. We also work constantly with the NPS in examining potential boundary adjustments, initiated either within the NPS in their master planning or by the Congress in bills. Again, State and local governments are involved. Similar efforts occur with the F&WS and BLM. Developing the Administration's position on bills calling for new Federal acquisition in the Minnesota River Valley led to intensive short term field work by BOR acquisition people and the F&WS earlier this year.

The improved quality of the statewide comprehensive outdoor recreation plans called for by the L&WCF Act can be attributed in large measure to the planning and technical assistance that the Bureau provides the States in plan development.

We differentiate from similar S&E efforts by the degree of orientation to the Federal acquisition program and help on development of SCORPs. If the purpose of the work relates mainly to L&WCF purposes, we charge it to the Fund, otherwise to S&E. While we can only roughly estimate how much of the L&WCF administrative expenses goes to technical and planning assistance to Federal agencies, it is probably about 10%. Another 10 to 15% of this account is for technical and planning assistance to the States in the development of the SCORPs.

Senator STEVENS. What portion of the administrative expenses funding and personnel is directly tied to administering the state grant program?

Mr. CRUTCHER. The number of authorized permanent positions requested for administration of the Fund is 233. However, it is projected that 213 will actually be filled in conforming to the personnel ceiling for the Bureau. Of this number, 142 will be tied directly to the administration of the State portion of the Fund. We are requesting \$4.5 million for this purpose.

Activities relating to administering the State Assistance program include but are not limited to: providing technical assistance to States in the preparation and updating of Statewide Outdoor Recreation

Plans; conducting compliance inspections of State projects funded with Federal matching funds to insure that lands and facilities are being used for purposes intended and all are open to the public; environmental assessment of all grant projects and preparation of EIS when appropriate; working with States in the application of relocation assistance requirements to land acquisition activities; and assistance to States in preparation of project agreements and amendments as needed; selective monitoring of projects under way to insure the safeguarding of the Federal investment; payment of State billings for land acquisition and facilities constructed; and maintenance of the grant records and information system.

#### STATE COMPLIANCE

Senator STEVENS. Last year BOR reduced its budget sharply for State assistance compliance inspections. I believe the inspection period was lengthened from three to five years. How is that working out so far?

Mr. CRUTCHER. As the number of completed projects has grown, the ability of the States and the Bureau to maintain a triennial inspection program has not kept pace. As a result, a backlog of required inspections has developed. We cannot expect that manpower can be continually added by the States or the Bureau to meet this increasing workload. In fact, as you have indicated, we have found it necessary to reduce our manpower allocation for handling compliance inspections. By increasing the required period between inspections from three to five years a paper reduction of the backlog of projects requiring compliance inspections can be realized. Under an increased inspection period, the reduced manpower that we have available for compliance inspections can be more effectively used to help clear the remaining backlog of inspections and carry on an inspection program with the States that will meet the requirements of the Act and maintain program quality.

#### ADMINISTRATIVE COSTS

Senator STEVENS. You are dropping three positions under administrative expenses. Please explain that.

Mr. CRUTCHER. Our total ceiling allowance for full-time permanent employment is 433 in fiscal year 1976 and 428 in fiscal year 1977. Three of the reduction of five positions were allocated to administrative expenses. The work of these three positions will be done by contract instead.

#### REGIONAL OFFICES

Senator STEVENS. Mr. Crutcher, I notice in your biographical sketch that one of your first moves as the new director of the BOR was to strengthen the regional offices. In what way was this achieved?

Mr. CRUTCHER. In several ways, Senator. The States and local government are assuming a more important role today in the overall system of government—especially as it relates to improving the environment. And with this emphasis towards more localized solutions comes the need to foster more local leadership and more local cooperation among all levels of recreation agencies. I am encouraging

our Regional Office to get out and make this partnership work—to solve the problems where they occur—and not wait for a national solution to what well may be a Regional problem.

The key to this approach is recognizing that what works for Iowa or Kansas may not work for Oregon or Idaho.

I have coupled this responsibility for coordinating recreation programs at the State and local levels with authority. On February 11, I authorized the Bureau Regional Directors to approve State Outdoor Recreation plans and approve State's period of eligibility to participate in the L&WCF Program.

Senator STEVENS. Did this policy of regional emphasis result in any personnel transfers or operating budget changes?

Mr. CRUTCHER. The recent regional emphasis has not resulted in any significant changes with respect to the allocation of personnel ceilings. The Bureau has reduced its permanent staff from 469 in June 1973 to 433 in January 1976. During this period of reduction, the Washington Office has been cut from 154 to 133 (14%) and the Regional Offices have been cut from 315 to 300 (5%). Our new delegations and emphasis are intended to recognize the changes in manpower allocations during the past three years. Additional manpower adjustments and operating budget changes are being considered and will be made based on a review of work requirements.

#### DATA INCREASE

Senator STEVENS. Your only program increase under salaries and expenses is for data gathering—\$98,000 under nationwide planning and \$90,000 under Federal coordination. First, tell us the difference between these two activities insofar as data systems are concerned.

Mr. CRUTCHER. Senator, the two data activities are quite different in purpose. The nationwide plan activity deals with the collection of information and the analysis needed to produce and maintain a nationwide plan. The Federal coordination activity is an information exchange process, which makes all the data collected by the Bureau, for whatever purpose, available to other Federal agencies, researchers, and others who need national statistics. The Bureau has always tried to wring as much benefit as possible out of any data it collected so that it could be used for other purposes.

Let me give you an example. For the past year the Bureau has been giving assistance to the National Association of Conservation Districts, on an as available time basis, by doing the data processing work for their survey of private recreation enterprises. This inventory will become an element of the Bureau's overall recreation data branch. We have already provided feed back to a number of States to aid their statewide planning process.

The \$98,000, on the other hand, is for the collection of new data not now available from other sources. The principle effort will be for a citizens' survey to continue the monitoring of recreation trends and to measure user satisfaction, or lack of it, with recreation opportunities.

Senator STEVENS. Why do you need increases at this time for your information systems on the national plan and on Federal coordination? Isn't this the kind of work you're doing every year? Don't you already

have a data system in place? What is involved in the cost increase at this particular time?

Mr. CRUTCHER. Senator, the two increases are for different purposes, but both related to Bureau's overall data collection and exchange strategy.

First, nationwide planning. Our most recent nationwide planning efforts concluded that BOR itself cannot afford to collect the recreation data to the extent needed for nationwide planning. Therefore, the Bureau's objective is to coordinate the efforts of other agencies' data collection efforts to achieve efficiencies.

We need to start now extracting, consolidating, and analyzing existing recreation information from Federal agencies and from State plan inventories and files, from studies that already appear in the recreation literature, and from information developed by private organizations. This will be the base information available for the 1978 revision to the nationwide plan.

The focus of this effort will be on the following major categories of information: outdoor recreation and leisure time; characteristics of outdoor recreationists; characteristics of U.S. population and trends; vacation travel; users of specific resources and services; characteristics and objectives of recreation providers; current land use and expenditures for recreation; and plans for outdoor recreation.

In answer to your point, Senator, about this being the kind of work we do every year, no, we have in the past done our data collection in a ad hoc manner, specifically for the plan. That is the mode we are trying to get out of—planning is a process—and data collection should also be a continuing process. For the past 2 years we have not been funded to provide this kind of a continuing data base.

That is why we have embarked on a longer term strategy with the States and Federal agencies to build a cooperative information effort. We want to use our own scarce resources to gather only that data that is not collected by any one else.

The increase requested in Federal coordination is for this longer term effort with the States. We intend to use also some \$50,000 from our base, because our goal is not only to collect State provided data but also to feed back to the States the results of Federal collection efforts. We intend in this regard to ask selected Federal natural resource agencies to take the lead in maintaining natural resource availability data, at least at the national level. This effort is linked with the effort under the L&WCF administration increase.

The States will be the focus of the overall coordination mechanisms that will lead to systematic surveys with common specification and standards.

The specific cost increase will be to work with the five to eight States that we estimate are now ready to provide and update standardized data and incorporate their files, and the files of the relevant Federal agencies, into a common data base.

#### WATER RESOURCES

Senator STEVENS. Tell us why the BOR is planning to get involved in the Environmental Protection Agency's water pollution control program, as described on page 9 of your justification. Is this reimbursable?

Mr. CRUTCHER. Senator Stevens, the Bureau of Outdoor Recreation anticipates participation, on a pilot study basis, in the Environmental Protection Agency's areawide waste treatment management planning program because it offers an opportunity for realizing benefits from public expenditures to clean our Nation's waters. The goal of the Federal Water Pollution Control Act Amendments of 1972 is to provide swimmable and fishable waters by 1983. With judicious planning, many recreational and open space sites may be acquired and developed by local initiatives prior to rising real estate values that are expected to accompany the cleaning of polluted rivers, lakes, and estuaries. The Bureau's planning program will provide guidelines on identifying recreational opportunities along revitalized waterways, identifying potentials for trail and related recreation facilities along sewer interceptor lines and access development at treatment facilities and will encourage these considerations in areawide waste treatment management planning. A program of realizing these joint benefits can provide our cities with needed recreational opportunities.

The pilot program is not envisioned as a reimbursable program. Where an areawide treatment management agency requests specific technical input, technical services can be provided on a reimbursable basis.

Senator STEVENS. Tell us how the \$1,481,000 requested for water resource studies is allocated among the four elements of this subprogram.

Mr. CRUTCHER. We have allocated \$550,000 for investigations of federal water developments, \$556,000 for reviews, and \$375,000 for water and land use planning. In addition, funds are transferred by other agencies for Bureau work in these program elements. These funds are shown in Salaries and Expenses Reimbursements and Consolidated Working Fund accounts in the Budget Appendix schedules. In fiscal year 1977, we estimate that \$325,000 in transfer funds will be available. We have allocated \$200,000 for investigations of federal water developments, and \$125,000 for water and land use planning.

#### RESOURCE AREA STUDIES

Senator STEVENS. Last year the Congress added \$300,000 for wild and scenic river studies under your resource area studies program. Tell us how that effort is going.

Mr. CRUTCHER. It is going very well. Our present schedule calls for submission to the President by the end of fiscal year 1977 of all of the rivers authorized for study by Public Law 90-542 which were assigned to the Department. This is well in advance of the October 2, 1978, date established in the Act. If present levels of funding and manpower continue to be authorized, our schedule provides for completion of the studies authorized by Public Law 93-621 which are assigned to us and those we are studying jointly with the Forest Service in advance of the October 2, 1979, congressional target date.

Senator STEVENS. What was the total spending last year, and what is budgeted this year, for wild and scenic river studies?

Mr. CRUTCHER. Programmed expenditures during fiscal year 1976 are \$953,600 with essentially that amount being requested for fiscal

year 1977. The fiscal year 1976 level includes the \$300,000 added to our request by the Congress.

Senator STEVENS. What do you estimate it will cost the BOR to complete these studies as mandated by October of 1979?

Mr. CRUTCHER. Approximately \$853,000 in addition to the funds requested for fiscal year 1977. It should be recognized that this projected expenditure level will require raising the study authorization as provided in Sec. 5(b)(3) of the Wild and Scenic Rivers Act as amended. Staff of the Forest Service and the Bureau are reviewing this matter with a view of seeking appropriate legislative relief.

Senator STEVENS. How much of your existing and proposed resource area study funds in fiscal year 1976 and 1977 is devoted to the national wilderness system?

Mr. CRUTCHER. In fiscal year 1976 we estimate we will spend \$50,000 and in fiscal year 1977 \$35,000.

Senator STEVENS. Exactly what role does the BOR play in developing the national wilderness system?

Mr. CRUTCHER. As directed by the Secretary, we provide the recreation data and assessment for Wilderness Studies conducted by the National Park Service and Fish and Wildlife Service. We also provide such data to the Forest Service upon request. In addition, we review all Wilderness Proposals and Environmental Impact Statements primarily to determine that adequate consideration is given to the recreation potential of the proposed area as it related to the recreation needs of the area in which the proposal is located.

#### FEDERAL COORDINATION

Senator STEVENS. Under your federal coordination activity, what is the BOR doing currently about coordinating federal recreation fees? What improvements has the agency recommended to Congress in the past year?

Mr. CRUTCHER. BOR is doing several things to coordinate Federal recreation fees. We field checked 96 Federal recreation areas during the past year to determine comparability of charges and compliance with other rules and regulations established pursuant to Public Law 93-303, approved June 7, 1974, and published in the Federal Register. We evaluate and summarize visitor use information provided by each Federal agency as submitted for purposes of the annual report to the Congress. We compare recreation user fees charged throughout the U.S. at public and private recreation areas having comparable facilities; the findings will serve as the basis for recommendations, if needed, to improve comparability of charges levied. We hold frequent meetings of all Federal land-managing agencies to help resolve problems related to comparability of visitor use data and charges.

It has not been necessary to recommend improvements in the Federal recreation fee program to the Congress in the past year.

Senator STEVENS. Your justification states that "public recreation opportunities have been increased on thousands of acres of Federal lands and waters as a result of the cooperative management program." Can you give us some specific examples?

Mr. CRUTCHER. Although a relatively new undertaking, all regional offices of the Bureau have made achievements, with a wide diversity of projects still underway. Let me give you several examples of projects which will be completed by the end of fiscal year 1976.

In Louisiana, a cooperative management agreement between the city of New Orleans and the United States Coast Guard provides for the development of English Turn Wilderness Park. The park project involves a total of 840 acres, of which 710 acres have been leased by the Coast Guard to the city of New Orleans under a 25 year lease with an option for renewal for an additional 25 years, subject to Coast Guard approval. The remaining 130 acres of private land adjacent to the Coast Guard property will be purchased by the city of New Orleans under a \$509,000 grant from the Bureau's Land and Water Conservation Fund.

In Texas, a lease between the city of San Antonio and General Services Administration provides for leasing 12 acres of GSA property to San Antonio for a 1-year period, subject to renewal. The city plans non-permanent type improvements on this property, for use as a playground, park, and picnic area.

In Michigan, Kincheloe Air Force Base is developing a physical fitness trail, similar to a French parcours, as a Bicentennial project. BOR provided technical advice and furnished Kincheloe a set of parcours signs obtained from Brunswick Corporation. BOR obtained Forest Service assistance and they have agreed to provide Kincheloe with wooden materials required for the trail's development. The trail will be open to the general public.

In Texas, BOR is working with the Corps of Engineers and city of Houston to lease 6,070 acres from the Corps to the city for outdoor recreation uses. This property is located inside the city limits and will provide one of the largest urban parks in the Nation.

#### TECHNICAL ASSISTANCE

Senator STEVENS. You are reducing your permanent positions by two under technical assistance. Tell us how you managed that.

Mr. CRUTCHER. Our total ceiling allowance for full-time permanent positions is five less in fiscal year 1977 than in fiscal year 1976. Two of those were allocated to Salaries and Expenses technical assistance. The work of these two positions will be done by contract.

Senator STEVENS. With a reduction in permanent positions and average employment, why does the Bureau need a \$54,000 increase for personnel compensation?

Mr. CRUTCHER. The increase takes into account costs of the October 1975 pay raise.

Senator STEVENS. How is your \$1.3 million request for technical assistance allocated among the three program elements?

Mr. CRUTCHER. The request is for \$1,371,000 allocated as follows: \$385,000 for surplus property, \$507,500 for technical assistance to State and local units of government and \$478,500 for technical assistance to private interests.

Senator STEVENS. Last year we had an apparent communication breakdown over the thrust of your technical assistance program as it applied to private and commercial interests. It would be helpful to have someone explain just how that program functions.

Mr. CRUTCHER. We work with private interests to obtain contributions of land and money to public outdoor recreation agencies. A significant aspect of this program is our ability to add to the public recreation estate at little or no expenditure of additional tax moneys. During fiscal year 1975 we obtained 6,600 acres of land and a variety of outdoor recreation facilities valued at over \$4.6 million and in the first half of fiscal year 1976 we have obtained over \$10 million worth of property for public recreation purposes. The only cost to any unit of government for these accomplishments was this Bureau's staff time and travel.

Senator STEVENS. Is BOR providing technical assistance in any way to private enterprise in connection with a commercial, profitmaking recreation venture?

Mr. CRUTCHER. No, sir.

#### INCREASED TRAVEL COSTS

Senator STEVENS. Your budgeted travel costs for fiscal year 1977 are about \$100,000 higher than 2 years ago, despite your personnel reduction. Why is this?

Mr. CRUTCHER. Our personnel reduction from fiscal year 1975 to 1977 was two permanent positions. The increase in the Bureau's estimated travel costs for fiscal year 1977 over fiscal year 1975 has increased about \$100,000 for two major reasons. First, Bureau experience has been that travel costs for the same relative travel in past years has escalated about 30 percent in the aggregate for such items as per diem, air fares, GSA automobile rentals, commercial auto rentals, and mileage rates for use of privately owned vehicles. Second, Congress added \$300,000 in fiscal year 1976 for the conduct of newly authorized wild and scenic river studies. The Bureau is responsible for 13 of the 29 rivers identified for study in Public Law 93-621 and shares responsibility for three with the Forest Service. Travel is essential in the conduct of these added studies for such things as reconnaissance of the river and adjacent land and water resources by driving along the river and floating certain stretches, contacts with local public officials and major landowners in the area, flying isolated sections of rivers as needed, conduct of field hearings on the study and attending meetings of advisory groups to obtain the facts upon which to base a report to the Congress.

#### ADDITIONAL QUESTIONS

Senator STEVENS. Senator McGee could not be here today, but he has submitted a series of questions, which we will give to you to be answered for the record.

[The questions and answers follow:]

#### QUESTIONS SUBMITTED BY SENATOR GALE MCGEE

##### CANDY JACK PARK

*Question.* It now appears that monies once available from the Land and Water Conservation Fund are fast disappearing. This seems particularly true for some of our communities in Wyoming. For example, I note that the town of Thermopolis has applied for some \$44,000 for the completion of Candy Jack Park. The Wyoming State Board of Parks and Recreation has approved the request, but Federal money is unavailable. Similar situations occur throughout my State. Please give the Subcommit-

tee an accounting of these funds as you anticipate their availability for Wyoming in Fiscal Year 1977.

Answer. The State of Wyoming has done an excellent job of committing its Land and Water Conservation Fund apportionment each year. The State received an apportionment of \$1,491,123 in Fiscal Year 1976 and received applications for funding exceeding \$2,000,000. We have been advised that Candy Jack Park was one of the projects that did not receive funding from the Fiscal Year 1976 apportionment and is being held pending receipt of additional Federal funds. It is anticipated that Wyoming will receive approximately \$1,488,000 as its share of the Fiscal Year 1977 Land and Water Conservation Fund apportionment based on the President's Fiscal Year 1977 budget request of \$175,516,000 for the Fund.

#### WYOMING FEDERAL AGENCY BACKLOG

*Question.* What is the backlog for the acquisition of Federal lands in Wyoming? Please provide a cost breakdown and timetable for this acquisition program as it affects my state.

Answer. There are two areas within the State of Wyoming where privately owned lands remain to be acquired by the National Park Service. These two areas are Bighorn Canyon National Recreation Area and Grand Teton National Park. At Bighorn Canyon, the only private lands within the State of Wyoming which the National Park Service plans to acquire comprises 64 acres which have an estimated value of \$27,600. Funds are presently available and efforts are underway to acquire these lands. At Grand Teton, the acquisition of privately owned lands is being accomplished on a willing buyer-willing seller concept under the Opportunity Inholding Program. Under this program, the National Park Service will not seek to acquire lands unless the owner desires to sell his property. Thus, it is not possible to forecast the successful conclusion to this land acquisition program. Based on 1974 estimates of value, the land acquisition cost to complete this project is approximately \$21.7 million.

The Forest Service has a backlog of 548 acre Washakie Wilderness at an estimated cost of \$552,000, and 4,955 acres of Specially Designated Areas or Composites at an estimated cost of \$4,000,000. The Composites are in the Bighorn, Bridger, Medicine Bow and Shoshone National Forests.

There is 410 acres of private land to be added to the National Elk Refuge, part of which has been subdivided for residential development. Some of the lots, totalling 159 acres have been purchased with the assistance of The Nature Conservancy. It is estimated that acquisition of the remaining 410 acres will cost approximately \$3,000,000 to protect the inspiring natural vista and prevent interference with the elk herd. The major ranch owner, Mr. Hugh Soest, has donated an open space easement on five acres of his ranch and it may be that a program of such donations over a period of years can eliminate the need to acquire much of this acreage. Thus, we plan to schedule funds over the next few years as we are able to negotiate purchase of existing lots or ranch lands, if necessary to prevent further subdivision.

The Bureau of Land Management has no backlog for Congressionally Authorized Areas in Wyoming.

#### FEDERAL INHOLDING PROGRAM—WYOMING

*Question.* What is the status of the Federal inholding program in Wyoming?

Answer. The National Park Service has only one inholding area within the State of Wyoming where private lands remain to be acquired—Grand Teton National Park. The acquisition of these lands is being accomplished under the Opportunity Inholding Program. Under this program, the National Park Service only acquires those lands which the owner wishes to sell. We are pleased with the progress which has been made at Grand Teton since inception of the Opportunity Inholding Program. During the period July 1, 1968, through December 31, 1975, we have purchased 1,573 acres at a cost of \$11,182,980. We will continue to acquire the remaining 2,151 acres of privately owned lands, within funding availability.

#### SIX YEAR PROVISION

*Question.* The Forest Service and the National Park Service are the primary users of the Land and Water Conservation Fund. What level of funding would be required to complete these acquisition programs under the six-year provision of the Land and Water Conservation Act?

Answer. I assume you are referring to the legislative mandate contained in the authorizing acts for Big Cypress and Big Thicket National Preserves and Cuyahoga Valley National Recreation Area. If we are to complete those areas under the six-

year legislative mandate, funding from the Land and Water Conservation Fund will be required in the amount of \$66 million in fiscal year 1978, \$63 million in fiscal year 1979, and \$39 million in fiscal year 1980.

*Question.* What would be the effect of "stretching out" this program from the authorized six-year period to the proposed eight-year period?

*Answer.* It is obvious that given the present level of funding, if we are required to complete these areas within the six-year mandated period, it will be necessary to defer funding of certain other high priority projects. Thus, if these programs were stretched out to an eight-year period it would permit a better distribution of funds to these other high priority and deserving projects.

#### GRAND TETON NATIONAL PARK BOUNDARY EXPANSION

*Question.* Are monies from the Land and Water Conservation Fund to be used to extend the boundaries of Grand Teton National Park?

*Answer.* As you know, the boundaries of the Grand Teton National Park are being reviewed. If it is determined that these should be extended and legislation to do so is enacted by the Congress, monies from the Land and Water Conservation Fund will be utilized to acquire the privately owned land within those established boundaries.

#### GRANT ALLOCATION FORMULA

*Question.* What percentage of funds of the Land and Water Conservation Fund are not being utilized by local communities? Is the BOR considering any reallocation formula? If so, please provide this formula.

*Answer.* Over the life of the Land and Water Conservation Fund Program, 54 percent of the funds obligated for acquisition and development projects have gone to local communities. The remainder, or 46 percent, supports projects sponsored by State agencies. Neither the Land and Water Conservation Fund Act, as amended, nor the current apportionment formula, as outlined in the attached certificate of apportionment, allocate funds between State and local projects. We feel that it is the responsibility of the State to determine their outdoor recreation needs based on the State comprehensive outdoor recreation plan, and to also determine how funds will be allocated to State and local projects to meet these needs. At the present time we do not intend to make any changes to the apportionment formula.

#### GREAT DISMAL SWAMP NATIONAL WILDLIFE REFUGE

*Question.* The Great Dismal Swamp National Wildlife Refuge in North Carolina and Virginia was established by P.L. 93-402. Appropriations were authorized for \$1 million in fiscal 1975, \$3 million in fiscal 1976, and \$3 million in fiscal 1977. Yet there is no request for these funds to complete this land purchase. As you know, in fiscal 1976 and the Transition Quarter, \$1,750,000 was appropriated for this land acquisition. Why have no monies been requested even though some \$2.5 million is needed to complete this land purchase and reimburse the Nature Conservancy for its purchase of lands previously agreed upon between the Conservancy and the Fish and Wildlife Service?

*Answer.* The amount of the Fish and Wildlife Service request was limited to \$8.5 million. Within this amount there are some very critical needs for preservation of endangered species habitat for which we allocated \$4.5 million. This is a reduction from the previous year. Since the authorization for San Francisco Bay Refuge terminates at the end of FY 1977, it was necessary to request the \$1.6 million remaining in this authorization. \$1.2 million had to be allocated for payment of a deficiency award and \$1.2 million had to be allocated to additions to three refuges under the Recreation Act for areas that were immediately threatened with destruction by development. We are keenly aware of the desirability of moving ahead with the acquisition of the Great Dismal Swamp Refuge, but it is not as critical as the needs I have mentioned.

*Question.* What is the proposed timetable for acquisition of lands to complete the Great Dismal Swamp National Wildlife Refuge? What level of funding would be required to complete the land acquisition?

*Answer.* We want to acquire the Great Dismal Swamp Refuge as quickly as available funds would permit. The cost of the remaining 58,000 acres was estimated at \$16.2 million as of September 1975. If this acquisition is delayed over several years it may well cost \$20 million. The Nature Conservancy has been assisting in the acquisition. They have acquired a 14,000 acre tract that will cost us \$2.9 million to repurchase. We have the \$1,750,000 appropriated in 1976. After paying some survey, title and other incidental costs we will be able to reimburse them \$1.5 million for part of the tract. TNC had an option on another 6,000 acre tract, however, since funding

has not been requested of 1977. TNC has let the option drop, although I understand that there is an informal commitment at the same price. It would require \$2.5 million to complete purchase of the existing tract and acquire the 6,000 acre tract.

SUBCOMMITTEE RECESS

Senator STEVENS. We will recess until 10 a.m. tomorrow when we will consider the budget estimates and testimony of the National Park Service.

Mr. REED. Thank you, Senator Stevens.

[Whereupon, at 2:40 p.m., Tuesday, February 17, the subcommittee was recessed, to reconvene at 10 a.m., Wednesday, February 18.]

**DEPARTMENT OF THE INTERIOR AND RELATED  
AGENCIES APPROPRIATIONS FOR FISCAL YEAR  
1977**

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WEDNESDAY, FEBRUARY 18, 1976

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 and Stevens.

**DEPARTMENT OF THE INTERIOR**

**NATIONAL PARK SERVICE**

**STATEMENTS OF:**

**NATHANIEL P. REED, ASSISTANT SECRETARY OF THE INTERI-  
OR FOR FISH AND WILDLIFE AND PARKS**  
**GARY E. EVERHARDT, DIRECTOR, NATIONAL PARK SERVICE**

**ACCOMPANIED BY:**

**W. C. QUICK, CHIEF, PROGRAMMING AND BUDGET DIVISION,  
NATIONAL PARK SERVICE**  
**FRANCIS M. WILES, DIRECTOR OF BUDGET, DEPARTMENT OF  
THE INTERIOR**

**BUDGET ESTIMATES**

Senator BYRD. This is the day set for hearing the fiscal year 1977 budget estimates of the National Park Service. They total \$337.6 million in new budget authority, which is an increase of \$25.5 million in appropriations to date for the current fiscal year.

In addition there is a request for \$18 million to liquidate contract authority, a reduction of \$22.1 million in fiscal year 1976 appropriations.

The justification has been included in part 1 of the hearing record. Secretary Reed, welcome again before the committee. I think it would be best to hear your opening remarks and question briefly before

proceeding with Director Everhardt on the Park Service budget estimates.

PREPARED STATEMENT

Why don't you identify your associates for the record and highlight your prepared statement. We will include the full text in the record.  
[The statement follows:]

Mister 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.

The Secretary and I have strong personal commitments to the welfare of the national parks. We believe that the American people have the right to be inspired by their visits to the park units and particularly so during this Bicentennial year.

Appropriations provided by the Congress have enabled the National Park Service to refurbish substantially the Bicentennial historical parks and to develop new interpretive programs that will help visitors recall the dramatic struggle for independence.

In my visits to the units of the National Park System, I am aware that in recent years the superintendents have been faced with increasing densities and numbers of park visitors. Energy shortages modified some of the visitation patterns but the numbers keep increasing no matter what the current concerns of the country are.

Expanded mining operations in the several parks still open to mineral entry is another problem. We strongly support legislation now before the Congress to eliminate this threat to the integrity of the national parklands.

Director Everhardt has established several priorities for managing the National Park Service. The Secretary and I support him wholeheartedly in this regard. For those resources within the National Park System, his priorities are:

-- that first priority must go to preservation of the natural resources;

-- that we must not allow the physical facilities that serve the visitor to deteriorate due to the lack of maintenance;

-- that available development funds should be used primarily to provide needed facilities in the recently authorized units of the System; and

-- that continued emphasis must be placed upon those programs essential to providing the visitor with a meaningful and enjoyable experience.

I am a firm believer in efficient management and I want to be assured that every possible method of improving efficiency has been explored. Director Everhard has shared with me his plan to make maximum use of his personnel and monetary resources, including the transferring of a substantial number of positions from the Washington Office to the parks.

In recognition of the need for additional permanent positions, the President gave the National Park Service 400 additional positions in December for use in Fiscal Year 1976 and continuing in Fiscal Year 1977. This increase in permanent staffing will be directed to operations of newly authorized areas, areas expecting increased visitor use during the Bicentennial and other areas needing staffing to prevent the curtailment of services.

In the formulation of the Fiscal Year 1977 budget, the Service has attempted to assign the maximum level of funding possible -- a \$21 million increase -- to park operating programs. Another area which the Service is proposing to place special emphasis is in the Building and Utilities portion of the Planning and Construction appropriation account. In order to meet the pressing needs of these program areas, certain decreases are proposed in other activities including the Grants-in-Aid to the States and the National Trust for Historic Preservation, Road Construction and certain planning programs. We all recognize that these are important and necessary programs but we put them slightly lower on our priority list in the Fiscal Year 1977 budget.

As we proceed in the second century of National Park Service management, it is time for all of us to take stock of what should remain in the System and what needs to be added to round out the System. I am of the opinion that the Legislative Branch and the Executive Branch should work together toward both objectives. Certainly, we will agree that the units of the National Park System should meet the criteria of being nationally significant -- otherwise there are numerous other appropriate management entities.

In my retrospection, and I have the honor to have held my position much longer than any of my predecessors, I must admit that the National Park Service's involvement with the performing arts raises a serious question in my mind as to whether such functions might not more properly belong elsewhere. For example, I am of the opinion that a more appropriate location might be with the National Foundation on the Arts and the Humanities.

Further along this line, I admit that I find it questionable that we are involved in urban recreation in our National Capital particularly in light of the relatively recent home rule for the District of Columbia.

On the other hand, presently before the Congress for its consideration are the proposed additions of the tremendous natural resources in Alaska to the National Park System. There is no doubt that this is a "once in a lifetime" opportunity for all of us to preserve and protect these resources for present and future generations.

My retrospection convinces me that priorities must be set and I am ready to conclude that some units of the National Park System ought to be shifted to other management entities and that some units ought to be considered for deauthorization.

The Secretary and I are indeed proud of the National Park Service and particularly the dedicated people who have made it an example for all the world to appreciate and use as an example. Director Everhardt and the capable personnel of the Service are striving to make it even better.

This completes my brief statement. Director Everhardt and his associates will discuss their programs and budget in greater detail. We will be happy to answer any questions.

## INTRODUCTION OF ASSOCIATES

Mr. REED. Thank you, Mr. Chairman.

I am accompanied by Mr. Everhardt and Mr. William C. Quick. Mr. Chairman, with your permission I would like to submit my statement for the record and highlight it in the interest of saving time for the subcommittee.

Secretary Kleppe and I have strong and personal commitments to the welfare of the units of the National Park System. We believe that the American people have the right to be inspired by their visits, and we expect record visitation during the celebration of the Bicentennial.

Among the problems facing us in the administration of the scenic and historic resources entrusted to us is the issue of expanded mining operations into several parks still open to mineral entry. I am the grandson of a miner. As much as my grandfather believed in the American system and the necessity of mining—

Senator BYRD. Where was your grandfather a miner, sir?

Mr. REED. Colorado, sir. Colorado, Utah, Nevada. He also loved our national parks, and I am certain he would agree with me that mining in the national parks is incompatible with national park purposes.

## PARK SERVICE PRIORITIES

The fiscal 1977 budget places first priority on the necessary operations of the units of the system. Therefore, it subordinates in priority some of the external programs and defers numerous capital improvements. This has not been a popular decision, but I am in full support of the President's objective of keeping the fiscal 1977 total budget below \$395 billion.

Further, we need to take a hard look at what needs to be added to the system to round it out. Presently before the Congress are the proposed additions to the system of outstanding natural resource areas in Alaska. There is no doubt in my mind that this is a once in a lifetime opportunity for all of us to set aside these areas for their preservation and protection for present and future generations.

I am indeed proud of the National Park Service, and the tremendous job it does. The exceptionally capable people who make up the National Park Service are completely dedicated and deserving of our highest commendation.

I would like to add, Mr. Chairman, that in the 1 year that Gary Everhardt has been Director of the National Park Service I have observed a strengthening of all features of management, a keen sense of responsibility to the Congress, a first-hand knowledge of manpower, which has led to a series of first-class appointments of new superintendents and deputies across the nation, to a renewal of spirit and morale of the men and women who make up the National Park Service family. It has been a year of working with him which has been a great, great pleasure.

This completes my brief highlight statement, Mr. Chairman. Director Everhardt, his associates and I will be happy to answer all questions.

## BUDGET REQUEST

Senator BYRD. In many ways, Mr. Secretary, the Park Service budget is a good one. The proposed increase for park operations, together with the additional positions provided, appears to keep faith to a large extent with the funding recommendations of this committee.

There appears to be some problems, however. As the Park Service justifications note on page 1, there is an overall decline in requested appropriations of \$4.7 million. And there is a \$63.6 million reduction overall in the obligations picture.

Now, obligations do present the true program measure, do they not?

Mr. REED. Yes, sir.

## ASSIGNMENT OF PROGRAM REDUCTIONS

Senator BYRD. We recognize that budget constraint has been a governing force, but can you tell the committee exactly how you worked out the assignment of program reductions for construction and grants?

Mr. REED. We had the unenviable choice to put money in operations or to leave it in construction. The opportunity of getting an increase in operations was so significant to us and so important, in our opinion, for the National Park System that we made that decision.

## CONSTRUCTION

Senator BYRD. As to construction, looking at obligation levels of the two Park Service construction accounts, it would appear that severe cutbacks are being imposed. Planning and construction goes down by about \$30 million and road construction by more than \$36 million, some \$67 million in all.

Have you at your policy level assessed the impact this would have on park development?

Mr. REED. Yes, sir, not only on park development of new park areas, but also on maintenance of existing facilities. For example, many of the roads I traveled on last summer on inspections in the West were arriving at the stage where they needed resealing and extensive maintenance. I am deeply concerned about the ramifications of keeping this maintenance off one more year. But these were the decisions after we got a fairly firm, budget figure.

## CONSTRUCTION NEEDS

Senator BYRD. You have a continually expanding park system. Won't a construction cutback of this extent put heavy pressures on future budgets?

Mr. REED. Yes, sir. When you slip a year like this you will come back in the future with a greater need.

Senator BYRD. You had tremendous backlog last year, a tremendous development backlog. What is the estimated backlog at this time in terms of dollars?

Mr. REED. I doubt that it has gone down, because our construction appropriation for fiscal 1976 was \$27 million; and \$7.1 million for the transition period. I would suggest that the development needs

have probably increased because of the additions of a number of new areas in the park system.

I am advised that the correct estimate is about \$2.7 billion.

#### REDUCTION IN HISTORIC PRESERVATION GRANTS

Senator BYRD. Your reduction in the historic preservation grants comes at a time when Congress is making a move to expand that program, at least at the authorization level.

Did you view the reduction in that context?

Mr. REED. Yes, sir, we did review it in that context. Again, the balance we struck was that we could have \$10 million in operations or \$10 million in historic grants. We have fallen behind for the 5 years in operations with which I have been involved, and this was a recommendation that was hard to make to the Secretary and hard to live with, because the Director of the Park Service and I both have a commitment on historic preservation. But the opportunity of getting \$10 million in the base on operations is a very significant one.

Senator BYRD. What do you see as the impact of the cutback in grants? What will it do, for example, to the various State programs?

Mr. REED. It will have a major impact on the State programs. A 50 percent reduction obviously has a major impact, just at a time when we have made a step forward with the States, and probably had better coordination and communication with them than at any time.

This is one of the things that we recognized in making this decision, that it was going to be very controversial, and, second, it would have a major impact on individual State projects which we hope would only last one budget year.

#### PENDING HISTORIC PRESERVATION LEGISLATION

Senator BYRD. What is the Administration's position on the pending proposal to create a special fund for historic preservation grants?

Mr. REED. The Administration has not taken a position on the two bills, one having passed the Senate, the second bill having completed mark-up in the House Committee, but not having been voted on by the House.

Secretary Kleppe is being briefed on the two bills, and the differences in the two bills, so that we hope to be able to have an administration position for the Conference Committee on the Land and Water Conservation increase and the Historic Preservation Grant increase. The difference in the Senate and House bill is that the Senate bill on the Land and Water Conservation Fund goes to \$1 billion in one step, and the House bill goes up to \$400 million in fiscal 1978; to \$625 million in fiscal 1979; and to \$800 million in fiscal 1980. For historic preservation grants, the Senate bill establishes a fund at \$150 million for each of 5 years and the House bill at \$24.4 million for fiscal 1977, \$75 million for fiscal years 1978 and 1979, and thereafter at \$100 million each year through 1989.

We would hope that we would be able to advise the conferees of an Administration position.

## REVENUES FROM ENTRANCE FEES

Senator BYRD. Park Service revenues appear to be unusually stable in view of increasing visitation. Do you still have problems with your admission fees?

Mr. REED. Frankly, sir, I am not able to answer that. I would leave that to the Director.

Senator BYRD. Mr. Everhardt?

Mr. EVERHARDT. One of the reasons, Mr. Chairman, that the revenues are stabilizing is the change in the entrance permit to park areas. It allows an individual to come in and as long as he stays in the park he only pays a one-time entry fee. Prior to that, he would pay the entrance fee for each 24 hours that he stayed in a park area.

This is having a tendency to stabilize our revenues. They are less than they would have been under the old system and are beginning to stabilize at the level reflected in the budget.

Senator BYRD. Are you satisfied with this new procedure?

Mr. EVERHARDT. Well, it has created some problems in areas for those people who have the responsibility of collecting fees, from the standpoint of just administrative type management of that system.

Senator BYRD. What are you doing about this problem?

Mr. EVERHARDT. We are working within the confines of the mandate to collect in that manner. As long as a person remains in a park and does not go back outside, after the first day, it creates no problem.

I don't think we have any serious problems that we cannot overcome.

## URBAN PARKS AND THE ROLE OF THE NATIONAL PARK SERVICE

Senator BYRD. Last year, Mr. Secretary, we discussed with you and with Director Everhardt the problem of urban parks and the role of the Park Service. We were told, I believe, that this issue was being looked over and that a policy determination was expected soon.

Do you have any answers to that question now?

Mr. REED. In candor, Mr. Chairman, and in complete honesty with you, we are badly divided on even how to approach a study of this subject for the Interior Committee. We have to respond to Chairman Jackson's recent request and subcommittee Chairman Bennett Johnston's request.

I would hope in the next two weeks that we could arrive at a mechanism that would give the Congress the kind of information that I think it needs without binding the Administration to any specific urban areas, we wish to avoid very badly specific sites during the study phase. How one studies urban areas without letting the urbanites know that they are being studied and raising hopes and expectations is certainly a problem.

However, I think that it can be solved and I think we, both in the Administration and in the Congress, need to know what are the recreation needs and the opportunities in the urban areas—both internal city and external city to maximize recreation opportunities for urbanites—and also whose responsibility urban recreation really should be.

I have a very fundamental view that the National Park Service should not be spread thinly into urban areas when I think its mandate is the 286 great natural, historic, and national recreation areas. But I am willing, obviously, to have my mind changed, if the Congress makes a different decision. I have certainly been interested by Senator Johnston's approach on Santa Monica and Chattahoochie. I do not think the approach in this time of severe fiscal—Federal constraints on expenditures is altogether pragmatic.

Perhaps the proper answer is the expansion of the Land and Water Conservation Fund. He sort of offered that as a carrot, saying we will make these grants available to the local communities in the areas of Santa Monica and Chattahoochie if you do not come up with the expanded fund or with some rationale for handling urban greenbelt areas.

We have so far been troubled by how to get at it, but I hope we can find a solution.

Senator BYRD. What specific position is the Department adopting on urban parks and particularly on pending legislative proposals to create more of them within the National Park System?

Mr. REED. Generally, we have taken and will continue to take negative positions on legislative proposals to create urban parks as additional units of the National Park System unless, of course, the criteria of national significance have been met. Our study should be helpful once it is completed and I trust that it will be helpful to you and the legislative committees.

#### NPS INVOLVEMENT IN THE PERFORMING ARTS AND URBAN RECREATION

Senator BYRD. Your comments on examining the direction of the Park Service and reassessing its involvement in performing arts and urban recreation were interesting. What steps is the Department preparing to take in this respect?

Mr. REED. Mr. Chairman, I am glad you asked about the performing arts. I have some figures and I am troubled.

Last year I got notice that I could expect a very sudden cutback in funding as a crash mechanism that did not come about. But during the very difficult period of that consideration, I began to look over areas in the National Park Service where we could make a cut without doing an extreme amount of damage to the existing park areas.

From that examination we developed the fact that we are putting a great deal of money now into areas that philosophically I am beginning to question whether they should be the National Park Service's responsibilities, and they are in the performing arts area.

I have figures which show that between 1973 and 1976 with an estimate for 1977, that Ford's Theatre, Chamizal National Memorial, Wolf Trap Farm Park, John F. Kennedy Center for the Performing Arts, support for the symphonies at St. Louis and the National Symphony here in Washington, Carter Barron and the Sylvan Theatre, in fiscal 1976 we are putting just short of \$6 million a year.

I am wondering, very frankly, whether that \$6 million should not come out of a Performing Arts budget rather than the National Park Service budget.

I find it incongruous that out of the Park Service budget \$6 million is used for that purpose when it could be used for the preservation and protection of our natural and historic resources. There may be more than that, but that is all I have been able to put my finger on at this time. I suspect there may be another million or two dollars for the Performing Arts in their budget.

The way we got into it, of course, is that there were emergencies. Ford's Theatre being a historic site, we began maintenance of the building, which is terrific, and then began assisting on the cost overrun. Then Chamizal, because of its significance with Mexico; and Wolf Trap, where costs have built up consistently as escalation of prices has occurred.

The John F. Kennedy Center for the Performing Arts has gone from \$2 million to over \$3 million in 5 years. I am not sure but what the committees who have been very generous to the performing arts through Nancy Hanks' wonderful organization should not take a look to see if the performing arts section, now being paid for by the National Park Service should not be more properly included in that other budget. I am going to ask Director Everhardt to analyze this and make recommendations that we in the Executive Branch can consider, looking toward a recommendation to the Congress.

With regard to urban recreation, as I mentioned earlier, we recognize that there is a definite need for more recreational opportunities for the urban areas but we are not certain that it is solely a Federal responsibility. I am inclined to believe that there are roles for the local governments, the State governments, and the Federal Government. We hope to be able to display this as a result of our study and hope to have some constructive recommendations for the consideration of the Congress.

#### CONGRESSIONAL REACTION TO URBAN PARKS

Senator BYRD. What Congressional reaction have you had on these suggestions, particularly among members of the concerned legislative committees?

Mr. REED. My ideas are in their preliminary stages and I have yet to formalize them with specific recommendations. We have been in communication with the members of the legislative committees on the matter of urban recreation and they are well aware of our concern that in the absence of satisfactory alternatives, their answer has been on several occasions to authorize another addition to the National Park System. This raises objections on the part of those concerned members who recognize that with our present manpower and monetary resources we have been obliged to accommodate the recreation areas by robbing Peter to pay Paul. We have actually shifted personnel to the recreation areas from our natural and historic areas. This has made us vulnerable to the charge that we are not adequately protecting the irreplaceable natural scenic and historic resources.

Senator BYRD. As to the Land and Water Conservation Fund, if Congress were to provide more State assistance under that fund, would it not be appropriate to expect greater State involvement in urban recreation?

Mr. REED. Yes; I think that is a good expectation, Mr. Chairman.

## PREPARED STATEMENT

Senator BYRD. Mr. Everhardt, why don't you give us your opening statement? The full prepared statement will be included in the record.  
[The statement follows:]

Mr. Chairman:

I am pleased to appear before this Committee to discuss the Service's Fiscal 1977 budget and goals for the coming year.

I appreciate the guidance and support this Committee has provided during the past year and look forward to continuing this most helpful relationship as we strive to insure that our National Park System meets the needs of the American public both now and in the future.

I would like to share with you some of the observations I have made during the past year concerning the state of our national parks and the direction the Service must go in order to attain the high quality standards we have set for the National Park System.

I am convinced that the American public has an abiding concern for the welfare of the National Park System. This concern that the parks be preserved unimpaired is reflected in the thousands of letters we receive each year, in the increased citizen participation in the public hearing process, in the coverage of threats to the national parks in the media and in the personal contacts I have made. Mr. Chairman, the message comes through loud and clear. The American public wants to see the natural, cultural, and historic resources that have been mandated through the years managed and perpetuated to the highest possible standard.

I have visited a number of park areas during this past year, met with our Regional Directors, field superintendents, and Congressional representatives, and citizen groups. We concur that the American public has reason for concern.

While more funding and manpower could alleviate some of the problem areas, these are not the only solutions. The Service, like most other agencies, has in the past and will continue to face budgetary constraints. The situation demands that we make the most effective use of the fiscal resources available to us, that we improve our management efficiency, and in keeping with the Service priorities, assure that allocations are directed to the most significant needs of the parks. This approach in effect seeks the answers to whether we are applying sufficient human resources and fiscal resources to our physical facilities, roads, trails, public use and administrative buildings, historic structures and so on. Are we applying the fiscal resources we have to those areas of greatest need--those in imminent threat of loss or are in an unsafe condition?

I believe the Fiscal 1977 budget before you and the initiatives I have taken during my first year as Director do in fact convey the Service's effort in achieving management efficiency and assuring that our highest priority needs are provided for.

Accordingly, the budget request I am about to highlight will provide for program increases necessary to implement the three basic goals of the Service in Fiscal 1977:

Resource Preservation and Protection--This is our first priority, to safeguard the primary natural and historical resources of the parks and to provide for the care and maintenance of park facilities. This goal includes development needs for the stabilization and restoration of historic structures.

Quality of Visitor Services--People deserve a quality park experience; this goal requires the need to improve visitor protection, safety and interpretive services. Program

emphasis will be directed toward restoring curtailed interpretive services, making new facilities available for public use and meeting the increased visitors' demands.

Operating Recently Authorized Areas--Many new parks have only rudimentary staffs and facilities. This goal provides for initial operations at newly authorized areas and areas where boundary extensions have been newly authorized, to provide for basic management and protection and visitor use of the resources.

#### SUMMARY OF THE 1977 FISCAL YEAR BUDGET

The Fiscal 1977 appropriation request for the National Park Service totals \$355.6 million. This request places special emphasis on the operating needs of the parks. The Service is requesting increases for its higher priority park management and operations programs while proposing offsetting reductions in other program areas.

The \$21 million increase for park management programs is distributed among the following major programs:

1. Management of park areas (\$+4.2 million). This increase will fund the rental payment for the National Visitor Center, management of new areas, and improve general management functions.
2. Concessions management program (\$+312,000). This additional amount will provide for greater emphasis in improving the standards of concession operations.
3. Interpretive services programs (\$2.7 million). This will continue the emphasis placed in the Fiscal 1976 budget to further enhance the park experience through interpretive services.
4. Visitor protection and safety (\$+1.5 million). This amount will provide basic protection and safety services at newly authorized areas and improve services in areas receiving increased use.
5. Maintenance programs (\$+9.6 million). This proposed increase will be directed to upgrading operation and maintenance of park facilities, including sewage treatment plants, waste disposal methods, maintenance programs at new areas, and preservation and maintenance of historical and archeological properties.
6. Resource management program (\$+1.7 million). This additional amount will provide for improved programs of natural, historical and cultural resource management and protection in park areas including recently authorized areas. Special attention will be given to preparing resource management plans, restoring backcountry trails and campsites, and further implementation of natural fire management and prescribed burning programs.
7. Built-in Increase Requirements (\$+6.1 million). This amount will provide for GSA space rental and services; annualization of Wage Board pay increase; annualization of October 1975 Classified pay increase; and for the increase in Employees' Compensation Fund Payments.

Other increases proposed in the Service's Fiscal 1977 budget are:

- John F. Kennedy Center for the Performing Arts (\$+423,000). This increase will provide for additional costs of electric service, maintenance contracts and annualization of pay increases.
- Planning, Development and Operation of Recreation Facilities. A total program level of \$6 million is proposed for Fiscal 1977 for rehabilitation projects which is \$818,000 above the amount programmed in Fiscal 1976.
- Buildings, Utilities and Other Facilities (\$+6.6 million). This amount will provide for a number of projects to correct deficiencies in sewage systems causing pollution in violation of established standards and preservation of historic resources projects. A total program of \$24.9 million is proposed in Fiscal 1977.
- Alaska Task Force (\$+1.2 million).. The proposed increase is to support field work involved in the implementation of the Alaska Native Claims Settlement Act.

In order to give all possible support to our primary mission--the preservation of park resources--and to meet our priority needs, it will be necessary to reduce certain programs:

- Preservation of Historic Properties (\$-10,166,000).
- Planning and Construction (excluding Buildings and Utilities Activity) (\$-1,780,000)
- Road Construction (\$-22,100,000).

#### CONCLUSION

Mr. Chairman, the unique role of the National Park Service in our Nation's Bicentennial celebration has focused current attention on the Service throughout the country. A record number of visitors will tour the park areas this year. At the same time, we must reexamine our resources to determine how we can best utilize our dedicated employees not only during this year of celebration but in the face of changing priorities in the future as well. Certainly, in this regard, we cannot neglect thanking the Volunteers-in-Parks who contribute so many hours yearly to so many of our programs for visitors.

Above all, I would like to close by again emphasizing the National Park Service's commitment to making the public a vital part of our planning and deliberations for the future of the National Park System. Only through this citizen involvement can we responsibly fulfill our mandate to faithfully manage the great heritage of parks.

Mr. Chairman, members of this Committee, I would be happy to answer any questions you may have.

## STATEMENT OF GARY E. EVERHARDT

Mr. EVERHARDT. Thank you, sir. I am pleased to appear before this committee today to discuss the Service's fiscal 1977 budget and goals for the coming year.

I wish to express my sincere appreciation on behalf of the National Park Service for the assistance provided by this committee during the fiscal 1976 appropriation process.

The initiative that this committee took in recognizing the additional needs for the Service will contribute to the effectiveness of many Service programs during 1976. These additional resources will, in a large measure, assure the viable bicentennial celebration in many areas of the system, and will provide for operation of several new areas, authorized subsequent to the formulation of the fiscal 1976 budget.

Mr. Chairman, we are indeed grateful for the committee's wisdom and foresight in initiating action on these timely needs.

I would like to share with you some of the observations I have made during the past year concerning the state of our national parks, and the direction in which the Service must go in order to attain the high quality standards we have set for the national park system.

I am convinced that the American public has a growing concern for the welfare of the national park system. This concern that the parks be preserved, be protected, and that they be wisely used is reflected in the thousands of letters we receive each year, in the increased citizen participation in the public hearing process, in the coverage of the national parks in the media and in the personal contacts I have made.

I have visited a number of park areas during this past year. I have met with our regional directors, many of our field superintendents, Members of the Congress and citizen groups. I concur that the system that has been mandated over these past 103-odd years be managed and maintained to the highest standard possible.

While more funding and manpower could alleviate some of the problem areas, these are not the only solutions. The situation demands that we make the most effective use of the fiscal resources available to us, that we improve our management efficiency, and in keeping with the Service priorities, assure that allocations are directed to the most significant needs of the national park system.

## BUDGET GOALS

I believe the 1977 budget before you does, in fact, convey the Service's effort in achieving management efficiency and assuring that our highest priority needs are provided for. Accordingly, the budget request I am about to highlight will provide for program increases necessary to implement the three basic goals of the Service in fiscal 1977.

Resource Preservation and Protection: This is our first priority, to safeguard the primary natural and historical resources of the parks, and to provide for the care and maintenance of park facilities. This goal includes development needs for the stabilization and restoration of historic structures.

Quality of Visitor Services: People deserve a quality park experience. This goal requires the need to improve visitor protection, safety and interpretive services. Program emphasis will be directed toward restoring curtailed interpretive services, making new facilities available for public use and meeting the increased visitors' demands.

Operating Recently Authorized Areas: Many new parks have only rudimentary staffs and facilities. This goal provides for initial operations at newly authorized areas and areas where boundary extensions have been newly authorized, to provide for basic management and protection and visitor use of the resources.

#### FISCAL YEAR 1977 PROGRAM

The fiscal 1977 appropriation request for the National Park Service totals \$355.6 million. This request places special emphasis on the operating needs of the parks. The Service is requesting increases for its higher priority park management and operating programs while proposing offsetting reductions in other program areas.

The \$21 million increase for park management programs will place new emphasis on our interpretive program, provide greater visitor protection and safety in recently authorized areas, upgrade maintenance of park facilities, improve our concessions program, provide for improved general management and annualize Wage Board, classified pay and other built-in increases.

The Service's planning and development program for 1977 totals \$52.4 million. This program will place emphasis on correction of sewerage systems that are causing pollution and preservation of historic resources throughout the National Park Service.

Mr. Chairman, the unique role of the National Park Service in our Nation's bicentennial celebration has focused current attention on the Service throughout the country. A record number of visitors will tour the park areas this year. At the same time, we must reexamine our resources to determine how we can best utilize our dedicated employees not only during this year of celebration but in the face of changing priorities in the future as well. Certainly, in this regard, we cannot neglect thanking the Volunteers-in-Parks who contribute so many hours yearly to so many of our programs for visitors.

Above all, I would like to close by again emphasizing the National Park Service's commitment to making the public a vital part of our planning and deliberations for the future of the National Park System. Only through this citizen involvement can we responsibly fulfill our mandate to faithfully manage the great heritage of parks.

Mr. Chairman, members of this committee, I would be happy to answer any questions you may have.

#### HARPERS FERRY NATIONAL HISTORICAL PARK

Senator BYRD. Director Everhardt, you and I visited Harpers Ferry National Historic Park and the Interpretive Center not many weeks ago.

I have previously requested that the National Park Service develop a 5-year development plan for that park. Have you developed such a plan?

Mr. EVERHARDT. Yes, sir, Mr. Chairman, we have that plan. I just received it, and at your request we have asked our park people, and our people at Harpers Ferry design center, to look at the 5-year needs for Harpers Ferry.

We would be most happy to submit that for the record.

Senator BYRD. It has been completed?

Mr. EVERHARDT. We have just received it, Mr. Chairman, and our people in the Washington office are reviewing it, collating it with our other efforts at Harpers Ferry.

Senator BYRD. It could be included in the record; could it not?

Mr. EVERHARDT. Yes, sir.

Senator BYRD. All right.

[The information follows:]

Proposed Development Program  
Harpers Ferry National Historical Park and Harpers Ferry Center

The Harpers Ferry Center is located within the boundaries of the Harpers Ferry National Historical Park. The Center is administered as a separate entity from the park, since it is responsible for producing and providing the interpretive devices used throughout the National Park Service. The attached schedules include development proposals for both the park and the Center. A summary of these proposals by Fiscal years is shown below.

Proposed Development Programs Summary  
Harpers Ferry National Historical Park and Harpers Ferry Center  
(In thousands of dollars)

	<u>FY 77</u>	<u>FY 78</u>	<u>FY 79</u>	<u>FY 80</u>	<u>FY 81</u>	<u>FY 82</u>	<u>Total</u>
Harpers Ferry NHP	109	1,535	1,909	3,295	2,121	5,798	14,767
Harpers Ferry Center	--	--	447	1,136	7,922	--	9,505
	109	1,535	2,356	4,431	10,043	5,798	24,272

Two of the development proposals, (1) Visitor Contact Facility and Transportation System and, (2) Exhibit Production Shops and Preservation Lab, involve construction of new facilities. It will be necessary for an environmental review to be made, and this may require an extensive documentation process.

Proposed Construction Program for Harpers Ferry Center  
Proposed Funding Summary by Fiscal Year (Amounts shown in thousands of dollars)

<u>Title and Package Number</u>	<u>FY 77</u>	<u>FY 78</u>	<u>FY 79</u>	<u>FY 80</u>	<u>FY 81</u>	<u>FY 82</u>	<u>Total</u>
Construct Museum Exhibit Production Shops and Preservation Laboratory (301)			408	907	7,922		9,237
Install Fire Alarm and Suppression System, Mather Training Center and Design Center (302)			39	229			268
			447	1,136	7,922		9,505

Proposed Construction Program for Harpers Ferry National Historical Park  
Proposed Funding Summary by Fiscal Year (Amounts shown in thousands of dollars)

Title and Package Number	FY 77 <sup>1/</sup>	FY 78	FY 79	FY 80	FY 81	FY 82	Total <sup>2/</sup>
Restoration of Historic Buildings (No's. 8, 9, 10, 11, 11A, 12, 12A and 15) (110)	35	1,345	1,574	1,432			4,386
Restore Streets and Sidewalks (112)	45		135	1,081			1,261
Construct Visitor Contact Facility, Parking and Transportation System (114)			10	130	313	4,525	4,978
Restore Historic Buildings (No's. 3, 37, 38, 39, 40 and 43) (115)		35		195	1,533		1,763
Adaptive Restoration of Buildings 34 and 35 (116)			50	37	80	982	1,149
Adaptive Restoration of Buildings 32 and 33, Including Site Work and Install Exhibits (117)					40	105	145
Restore Buildings 5 and 7 and Install Exhibits (118)					45	75	120
Stabilize Ruins, Virginian Islands (123)		110	110	110	110	111	551
Rehabilitate Free Will Baptist Church and Repair Fences of Old Storer College (124)	24	5	30	275			334
Prepare Interpretive Prospectus (130)	5						5
Prepare Development Concept Plan for Cavalier Heights (131)		40					40
Prepare Development Concept Plan for Lower Town (132)				35			35
	109	1,535	1,909	3,295	2,121	5,798	14,767

<sup>1/</sup> \$109,000 is proposed for funding in FY 1977 under Advance Planning.

<sup>2/</sup> All of the above schedule is under the Building and Utilities activity, except that portions of packages 110, 112 and 114 would come from the Road Construction appropriation (\$10,172,000 B&U and \$4,595,000 B&T).

## STATUS OF RESTORATION WORK

Senator BYRD. Included in the fiscal year 1976 Interior Appropriation Bill was \$525,000 for the restoration of several historic buildings at the Harpers Ferry Park.

What is the status of the restoration work on those buildings, and when do you expect that work to be completed?

Mr. EVERHARDT. We have the construction planning proceeding, Mr. Chairman. Drawings are being finalized, and we are hopeful that we will be able to go to bid by early June and award a contract before the latter part of this fiscal year. Work can begin there this summer on the historic restoration.

Senator BYRD. Will additional funding be above the \$525,000 which was provided last year—will it be required to complete the restoration work?

Mr. EVERHARDT. Yes, sir. I believe there is more effort needed at Harpers Ferry. This will be a part of the 5-year program that we have developed, and asked our superintendent to give us his advice on.

There will be funding requirements for what we submit for the record.

Senator BYRD. How much will be required in total?

Mr. EVERHARDT. Without looking at those final estimates, it looks like maybe \$4.5 million may be required to complete this portion of the restoration in the old town historic district.

Senator BYRD. Are additional funds required for fiscal year 1977?

Mr. EVERHARDT. No, sir, we have not requested any, because our advance planning needs to proceed at a more rapid pace to allow us to have that kind of work accomplished before we move into the design planning and actual letting of construction.

We are looking at our advance planning budget for 1977 right now and finalizing the projects that will be included in that prior to requesting funds in the next phase of planning and construction.

Senator BYRD. Will your development plan discuss what additional buildings are planned for restoration and the cost involved?

Mr. EVERHARDT. Yes, sir.

## SEWAGE DISPOSAL SYSTEM AT HARPERS FERRY

Senator BYRD. What is the status of the joint National Park Service-Harpers Ferry sewer system which is awaiting construction?

Mr. EVERHARDT. We were appropriated \$2.3 million in supplemental appropriations in 1975. As I understand the status of that project, the General Services Administration has the responsibility for negotiating government utility contracts that extend beyond a 10-year period.

I understand the GSA has a meeting this Friday with the Mayor and with the officials there to work out a memorandum of agreement as to how this system will be operated, and how this system will be maintained, and how the share of expenses will be with the Park Service and the local community. As soon as that is complete, they will be in a position to issue an invitation to bid, and let a contract for a sewerage system improvement.

Senator BYRD. Do you feel that GSA has the responsibility to approve this matter?

Mr. EVERHARDT. Yes, sir.

Senator BYRD. How long have they been looking at it?

Mr. EVERHARDT. They have been looking at it for some time, Mr. Chairman. I guess since October of 1975, when we made a formal request to begin the negotiations for a written agreement. And apparently, because of some other work schedules or difficulties with numbers of people, they just have not given it the proper attention at this time.

Senator BYRD. I think the matter has been held up too long.

Mr. EVERHARDT. I agree.

Senator BYRD. I would request, respectfully, that you assign someone on your staff the responsibility of reviewing and monitoring this park project to bring it to a conclusion as soon as possible.

How about touching base with GSA and letting them know how I feel about it?

Mr. REED. The Administrator is a great personal friend of mine. I was unaware that this had slipped so badly, and I would be delighted to give him a ring over that and see if we can get this on track.

This is an embarrassingly long delay, and I apologize, Mr. Chairman.

Senator BYRD. Thank you, Mr. Secretary. Will you let me know what the reaction is to your telephone call?

Mr. REED. Yes, sir.

Senator BYRD. Senator Stevens, do you have some questions at this time for the Assistant Secretary and Director?

#### QUALITY OF VISITOR SERVICES

Senator STEVENS. Thank you, Mr. Chairman.

Mr. Secretary, I am informed there was a series of recent newspaper articles by Al McConagha.

Mr. REED. Yes, sir, I saw some of them.

Senator STEVENS. He stated that visitors' services last year were at the lowest point since the reopening of the areas after World War II. Do you agree with that assessment?

Mr. REED. I do not know what he based it on, but I can only reflect to you, Senator Stevens, that on my visits to the national parks last summer, which were not as extensive as his, I found that the services were generally unimpaired and were in very good order.

I did notice that there were, as I said to the Chairman, some serious problems coming up on roads and buildings because of deferred maintenance, which caused me considerable concern. I also noticed that in prior years' testimony, that we have now gone about eight consecutive years—all of our money has gone to correcting sewerage deficiencies or the Bicentennial.

I hope we are coming to the end of the pollution abatement program. It seems to me that this has been the longest sewerage control program that I have ever heard of. I hope we can get back to constructing buildings and visitors' centers in the new park areas, and repairing buildings and roads, campsites, small museums, that type of thing that had been the hallmark of the National Park Service, rather than building sewerage systems. They may be necessary, but not very edifying.

## LAW ENFORCEMENT CAPABILITY

Senator STEVENS. What about vandalism? Has your law enforcement capability within the parks kept pace with the problems of vandalism associated with increased visitor participation?

Mr. REED. I am not the best source of information, because I am not sure that I am told all of the problems.

But I am concerned that we have not had enough manpower to do certain after-hour patrols. We made a case of an illegal kill of bighorn sheep in Yellowstone last year, which was the direct result of not having patrol on the north road at nighttime when unscrupulous hunters began shooting bighorn sheep that came down close to the road.

But we did make, finally, a very, very significant conviction of one of those illegal kills, which I think will slow that down.

But the 400 permanent positions which the President has authorized the Park Service will do a great deal to alleviate the serious manpower problems that the Service was in, with the expanding Park Service programs and a tight control on numbers. The 400 will go a long way, because they can supervise a great many other than full-time employees. The system works about half and half; half full-time permanent employees and half other than full-time employees, plus thousands of volunteers.

I am satisfied that if we continue adding qualified permanent employees who can oversee the other than full-time employees, that we should be able to catch up on some of the areas which the McConagha article shows that we slipped on in the last 4 or 5 years, and urges building up the park system.

I think these are cyclical in a sense, Senator Stevens. For 10 years we have added quite a few new parks. It has been easier to add new parks, in a sense, than it has been for the Administration to come to grips with funding and finding the personnel to manage them.

## CONTRACTUAL SERVICES

Senator STEVENS. I will get to that in a minute. But what I want to know is whether you are going to use these 400 people in the areas where they are needed, or whether we are going to go into some less practical and more esoteric aspects of the Park Service with the new personnel.

I am particularly concerned because I understand charges have been made that due to personnel ceilings you have been contracting out services in violation of the Civil Service policies, services that should be performed by regular personnel in the Park Service.

Mr. REED. I am unaware of any violation, sir.

Senator STEVENS. You are aware that those charges were made. Did you look into them?

Mr. REED. Yes. I have asked the Director, and I am unaware of any violation.

Senator STEVENS. What is your policy about contracting out in the area of maintenance and of protection of facilities?

Mr. REED. In the area of maintenance, the Director has had a committee working on that for 2 years. It involves sewerage, garbage

and certain campsite maintenance, which in many cases can be done cheaper by contracting, than if done by the Park Service itself.

He is directly responsible for the management of the Park Service, and I will let him answer that one.

#### UTILIZATION OF INCREASED POSITIONS

Mr. EVERHARDT. Senator Stevens, we could give you a break-out of the positions, to go back to your earlier question. In fiscal 1976, of the 400 position ceilings that were authorized, 70 of these will be assigned to upgrading the interpretive program of the National Park System. There are no new positions in fiscal 1977.

Some 150 of these will go into maintenance, to upgrade and give greater attention to the maintenance activities. With respect to visitor protection and safety, 71 positions will be assigned in that area.

Senator STEVENS. That is what we want to know. You are answering the question now. That shows about a three-fourths emphasis in terms of trying to catch up in some of these areas that were brought up by these articles.

It is unfortunate that we get to that—

Mr. EVERHARDT. Out of the \$21 million increase in 1977 for operations of the national parks, \$2.7 million is being programmed for the interpretive program. You can see we are giving a special emphasis in that area to upgrade and restore the high standard of interpretive services that have been the hallmark of the National Park Service.

Senator STEVENS. How many of those 400 were filled?

Mr. EVERHARDT. We are just beginning to fill those now, Senator.

After the Appropriations Act was signed, we had a recent meeting with our Regional Directors. As you know, a number of those positions were add-ons, specifically designated to newly authorized areas. The others have been distributed to our Regional Directors. We have asked them to respond to us by the end of this month with their recommendations by park as to how these will be allocated.

We are hopeful to have that information within the next couple of weeks, as to how they are going to utilize these ceilings that we have distributed.

Senator STEVENS. We will have this record for two or three weeks. If we get that in time and I hope we will, we can put that in the record.

Mr. EVERHARDT. We will be most happy to.

[The information follows:]

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
NATIONAL PARK SERVICE  
WASHINGTON, D.C. 20240

ALLOCATION BY PARK AND REGION OF  
INCREASED POSITIONS PROVIDED IN FISCAL 1976

DENVER SERVICE CENTER

	<u>Position Title and Grade</u>	<u>Number</u>
CATEGORY I		0
CATEGORY II		0
CATEGORY III	Economist, GS-13	1
	Designer-Planner, GS-13	1
	Concessions Specialist, GS-13	<u>1</u>
Total		3

ROCKY MOUNTAIN REGION

<u>Park Area</u>	<u>Position Title and Grade</u>	<u>Number</u>
CATEGORY I		
Knife River Indian Villages NHS	Archeologist, GS-9	1
	Park Manager, GS-9	<u>1</u>
Subtotal		2
CATEGORY II		
Canyonlands NP	Program Clerk, GS-5	1
	Maintenance Worker, WG-8	1
Custer Battlefield NM	Laborer, WG-2	1
	Clerk-Stenographer, GS-4	1
Grand Teton NP	Personnel Clerk, GS-5	1
	Mail and File Clerk, GS-5	1
	Museum Manager, GS-9	1
	Park Aid, GS-4	1
	Park Technician, GS-5	2
	Program Assistant, GS-5	1
	Maintenance Worker, WG-9	1
	Sewage Plant Operator, WG-8	1
Mesa Verde NP	Ruins Stabilization Technician, GS-7	1
	Office Services Clerk, GS-3	1
Mount Rushmore NMem	Park Technician, GS-4	1
	Park Technician, GS-5	5
	Clerk-Typist, GS-4	1
Theodore Roosevelt NMP	Supervisory Park Ranger, GS-7	<u>1</u>
Subtotal		23
CATEGORY III		
Regional Office	Concessions Analyst, GS-11	1
Bent's Old Fort NHS	Curator, GS-9	1
Bighorn Canyon NRA	<del>Park Ranger</del> , GS-9	1
Bryce Canyon NP	Supply Clerk, GS-5	1
Dinosaur NM	Park Ranger, GS-9	1
Glacier NP	Research Plant Ecologist, GS-11	1
Glen Canyon NRA	Concessions Specialist, GS-11	1
	Heavy Duty Mechanic, WB-11	1
Grand Teton NP	Concessions Specialist, GS-12	1
Mesa Verde NP	Personnel Assistant, GS-6	1
Mount Rushmore NMem	Park Technician, GS-7	1
Yellowstone NP	Concessions Specialist, GS-11	1
	Concessions Specialist, GS-12	<u>1</u>
Subtotal		13
Total		38

NORTH ATLANTIC REGION

<u>Park Area</u>	<u>Position Title and Grade</u>	<u>Number</u>	
CATEGORY I			
Boston NHP	Superintendent, GS-13	1	
	Historic Architect, GS-12	1	
	Administrative Officer, GS-12	1	
	Chief of Maintenance, GS-12	1	
	Interpretive Specialist, GS-12	1	
	Curator, GS-11	1	
	Historian, GS-11	1	
	Secretary-Stenographer, GS-6	1	
	Clerk-Typist, GS-5	1	
	Clerk-Typist, GS-4	1	
	Gateway NRA	Pipefitter Leader, WL-10	1
		Pipefitter, WG-10	2
		Boiler Plant Operator Leader, WL-10	1
Supervisory Park Technician, GS-7		1	
Park Technician, GS-5		2	
Maintenance Foreman, WS-9		1	
Carpenter, WG-9		1	
Maintenanceman, WG-9		1	
Steamfitter, WG-10		1	
Painter, WG-9		1	
Maintenance Worker, WG-5		2	
Clerk-Typist, GS-3		3	
Equipment Operator, WG-10		1	
Maintenance Worker, WG-5		1	
Engineering Equipment Operator, WG-8		1	
Program Budget Analyst, GS-9		1	
Payroll Clerk, GS-6		1	
Personnel Management Specialist, GS-9	1		
File Clerk, GS-4	1		
Boat Operator, WG-10	2		
Environmental Education Specialist, GS-9	2		
Clerk-Typist, GS-4	1		
Park Ranger (Cultural Affairs Coordinator), GS-9	1		

	Park Technician (Audio-visual Equipment), GS-4	1
	Park Technician (Community Organizer), GS-4	1
	Park Ranger (History), GS-9	1
	Mechanic, WB-10	1
	Civil Engineer, GS-11	1
Springfield Armory SHS	Project Manager, GS-11	1
	Clerk-Typist, GS-5	1
	Maintenance Worker, WG-9	2
	Curator, GS-9	1
	Park Technician, GS-5	<u>2</u>
Subtotal		52
CATEGORY II		
North Atlantic Regional Office - Professional Services	Historical Architect, GS-9	1
Saugus Iron Works NHS	Maintenance Worker, WG-5	1
Castle Clinton NM	Park Technician, GS-7	1
	Park Technician, GS-4	2
	Janitor, WG-3	<u>1</u>
Subtotal		6
CATEGORY III		
Martin Van Buren NHS	Project Manager, GS-11	1
Cape Cod NS	Maintenance Manager, WG-9	1
	Automotive Equipment Mechanic, WG-9	1
Saugus Iron Works NHS	Carpenter, WG-9	1
Morristown NHS	Park Technician, GS-5	1
Fire Island NS	Maintenance Worker, WG-7	1
	Park Technician, GS-7	<u>1</u>
Subtotal		7
Total		65

NATIONAL CAPITAL PARKS

<u>Park Area</u>	<u>Position Title and Grade</u>	<u>Number</u>
CATEGORY I		0
CATEGORY II		0
CATEGORY III		
Wolf Trap Farm Park	Electrician, WG-10	1
	Building Engineer, WG-10	1
Harpers Ferry NHP	Park Technician, GS-4/5	1
Chesapeake & Ohio Canal NHP	Pipefitter, WG-10	1
	Carpenter, WG-9	1
Park System Management (Mall Operations)	Park Technician, GS-4/5	2
	Electrician, WG-10	2
	Steam Cleaner, WG-10	1
	Sign Painter, WG-9	1
National Capital Parks- East	Park Technician, GS-4/5	2
	Maintenance Worker, WG-6	1
White House Liaison	Gardener, WG-6	2
	Historian, GS-14	1
National Visitor Center	U.S. Park Police Lieutenant, SP-9	1
	U.S. Park Police Sergeant, SP-5	2
	U.S. Park Police Private, SP-1	22
	Supervisory Nurse, GS-9	1
	Nurse, GS-7	3
National Capital Park Headquarters	Concessions Analyst, GS-13	1
	Concessions Assistant, GS-9/11	1
George Washington Memorial Parkway	Laborer, WG-3	1
	Grounds Maintenance Foreman, WS-5	<u>1</u>
Subtotal		50
Total		50

MID-ATLANTIC REGION

<u>Park Area</u>	<u>Position Title and Grade</u>	<u>Number</u>
CATEGORY I		
Independence NHP Visitor Center	Park Ranger, GS-5	1
	Painter, WG-9	1
Franklin Court	Maintenance Mechanic, WG-10	2
	Refrigeration and Air- Conditioning Mechanic, WG-10	1
	Supervisory Park Technician, GS-7	1
	Park Technician, GS-4	7
	Gardener, WG-5	1
Graff House City Tavern	Maintenance Mechanic, WG-10	1
	Laborer, WG-2	2
	Painter, WG-9	1
Independence Mall & Liberty Bell Pavilion	Laborer, WG-2	1
	Maintenance Mechanic, WG-10	1
	Park Technician, GS-5	4
	Laborer, WG-2	3
Park General	Maintenance Foreman, WS-9	1
	Maintenance Mechanic, WG-10	1
	Janitor, WG-2	1
	Horticulturist, GS-11	1
	Supervisory Electronic Technician, GS-9	1
	Electronic Mechanic, WG-5	1
	Projectionist, WG-5	3
Gloria Dei NHS Thaddeus Kosciuszko NMP	Librarian, GS-9	1
	Gardener, WG-5	1
	Park Technician, GS-4	<u>2</u>
Subtotal		40 <u>1/</u>
CATEGORY II		
Colonial NHP	Administrative Clerk, GS-4	1
Shenandoah NP	Secretary-Stenographer, GS-4	1
	Park Ranger, GS-7	2

1/ A total of 36 employment ceiling previously allocated to prepare for the Bicentennial activities.

	Park Technician, GS-5	4
	Park Technician, GS-6	1
	Clerk-Typist, GS-3	1
	Clerk (Typing), GS-4	1
	Tree Workers, WG-6	3
	Warehouseman, WG-6	1
	Survey Technician, GS-5	1
	Tractor Operator, WG-6	3
	Motor Vehicle Operator, WG-6	9
	Engineering Equipment Operator, WG-8	1
	Plumbing Worker, WG-7	1
	Electrician Helper, WG-7	1
	Maintenance Worker, WG-5	2
	Mobile Equipment Servicer, WG-5	1
Assateague Island NS	Automotive Mechanic, WG-10	1
Gettysburg NMilP	Maintenance Worker, WG-5	<u>1</u>
Subtotal		36
CATEGORY III		
Petersburg NB	Maintenance Worker, WG-7	1
Gettysburg NMilP	Park Ranger, GS-7	1
Delaware Water Gap	Maintenance Worker, WG-6	1
Fort Necessity NB	Park Technician, GS-5	1
Fredericksburg and Spotsylvania NMP	Park Technician, GS-5	1
Richmond NBP	Park Technician, GS-5	<u>1</u>
Subtotal		6
Total		82

SOUTHEAST REGION

<u>Park Area</u>	<u>Position Title and Grade</u>	<u>Number</u>
CATEGORY I		0
CATEGORY II		
Mammoth Cave NP	Park Technician (Law Enforcement), GS-6	1
San Juan NHS	Park Technician (Law Enforcement), GS-4	12
	Mason, WB-10	1
	Maintenance Foreman, WB-5	1
Southeast Region	Research Scientist, GS-12	1
Cumberland Gap NHP	Clerk-Typist, GS-4	<u>1</u>
Subtotal		17
CATEGORY III		
Canaveral NS	Superintendent, GS-13	1
	Chief Ranger, GS-11	1
	Chief of Maintenance, GS-11	1
	Park Ranger, GS-9	1
	Administrative Clerk, GS-6	1
Cumberland Island NS	Park Technician, GS-4	2
Everglades NP	Hydraulic Engineer, GS-13	1
	Hydraulic Engineer Technician, GS-9	1
Tuskegee Institute NHS	Superintendent, GS-12	1
	Clerk-Stenographer, GS-5	1
Cape Lookout NS	Chief of Maintenance, GS-11	1
	Park Ranger, GS-7	1
Biscayne NM	Park Ranger, GS-5	1
Kennesaw Mountain NBP	Park Technician, GS-5	1
Regional Office	Concessions Analyst, GS-11	<u>1</u>
Subtotal		16
Total		33

MIDWEST REGION

<u>Park Area</u>	<u>Position Title and Grade</u>	<u>Number</u>
CATEGORY I		
Cuyahoga Valley NRA	Project Manager, GS-13	1
	Clerk-Stenographer, GS-5	1
Indiana Dunes NL	Administrative Officer, GS-9	1
	Supervisory Park Ranger, GS-9	1
	Park Ranger (Interp.), GS-7	1
	Supervisory Park Technician, GS-6	2
	Maintenance Foreman, WS-10	<u>1</u>
Subtotal		8
CATEGORY II		
Pictured Rocks NL	Park Technician, GS-6	1
	Park Technician, GS-7	1
Perry's Victory and International Peace Mem.	Administrative Clerk, GS-4	1
	Jefferson National Expan- sion Memorial	Elevator Mechanic, WG-10
St. Croix NSR	Maintenance Foreman, WS-4	1
Sleeping Bear Dunes NL	Maintenanceman, WG-9	1
Ozark NSR	Personnel Assistant, GS-7	1
	Supply Technician, GS-7	<u>1</u>
Subtotal		8
CATEGORY III		
Voyageurs NP	Park Ranger, GS-9	1
	Park Naturalist, GS-11	1
Lincoln Home NHS	Park Aid, GS-3	2
Sleeping Bear Dunes NL	Park Ranger, GS-7	2
	Jefferson National Expansion Memorial	Projectionist, WG-8
Saint Croix NSR	Laborer, WG-10	2
	Park Ranger, GS-9	1
	Park Naturalist, GS-9	<u>1</u>
Subtotal		11
Total		27

SOUTHWEST REGION

<u>Park Area</u>	<u>Position Title and Grade</u>	<u>Number</u>
CATEGORY I		0
CATEGORY II		
Buffalo NR	Supply Technician, GS-6	1
Guadalupe Mountains	Park Technician, GS-5	1
Chamizal NMem	Theater Arts Manager, GS-11	1
	Theater Light Technician, GS-7	1
	Theater Sound Technician, GS-7	1
Carlsbad Caverns NP	Supply Clerk, GS-4	1
	Park Technician, GS-4	5
	Clerk-Typist, GS-3	1
Lake Meredith RA	Motor Vehicle Operator, WB-6	1
Chamizal NMem	Electrician, WG-10	1
	Clerk-Stenographer, GS-4	2
Subtotal		16
CATEGORY III		
Big Thicket NPres	Superintendent, GS-13	1
	Secretary, GS-6	1
	Administrative Officer, GS-9	1
	Biologist, GS-12	1
Big Bend NP	Trails Foreman, WS-6	1
Buffalo NR	Park Ranger (Interp.), GS-9	1
	Engineer Equipment Operator, WB-10	1
	Administrative Clerk, GS-5	1
	Maintenance Foreman, WB-9	1
	Maintenance Worker, WB-5	1
Carlsbad Caverns NP	Park Technician (Interp.), GS-5	1
Chaco Canyon NM	Water Treatment Plant Operator, WB-7	1
Lyndon B. Johnson NHS	Wood Craftsman, WG-9	1
	Park Technician (Typing), GS-5	1
Subtotal		14
Total		30

WESTERN REGION

<u>Park Area</u>	<u>Position Title and Grade</u>	<u>Number</u>
CATEGORY I		0
CATEGORY II		
Cabrillo NM	Park Technician, GS-6	1
	Gardner, WG-6	1
Channel Islands NM	Supervisory Park Ranger, GS-9	1
	Maintenance Foreman, WS-4	1
Coronado NMem	Administrative Clerk, GS-5	1
Death Valley NM	Electrician, WG-10	1
	Motor Vehicle Operator Leader, WL-6	1
Grand Canyon NP	Utilities Foreman, WS-7	1
	Fiscal Clerk, GS-4	1
	Administrative Clerk, GS-5	1
	Park Ranger, GS-5	1
	Maintenance Worker, WG-8	1
	Park Technician, GS-4	1
	Heavy Equipment Mechanic, WG-9	1
	Park Technician, GS-5	1
	Warehouseman, WG-5	1
Golden Gate NRA	Supervisory Park Ranger, GS-9	1
	Maintenance Foreman, WS-9	1
	Engineering Equipment Operator, WG-10	1
Haleakala NP	Clerk-Typist, GS-3	1
	Maintenance Worker, WG-8	1
Lassen Volcanic NP	Procurement Agent, GS-7	1
Organ Pipe Cactus NM	Motor Vehicle Operator, WG-6	1
Pinnacles NM	Park Technician, GS-4	1
Redwood NP	Clerk-Typist, GS-5	1
	Park Technician, GS-5	1
Saguaro NM	Park Technician, GS-5	1
Sequoia NP	Maintenance Worker, WG-5	1
	Park Technician, GS-4	1
	Personnel Clerk, GS-4	1
Tonto NM	Administrative Clerk, GS-5	1
Tumacacori NM	Park Technician, GS-4	1
	Administrative Technician, GS-5	1
Western Archeological Center	Personnel Clerk, GS-4	1
Yosemite NP	Janitor Foreman, WS-2	1
	Secretary, GS-5	1
	Maintenance General Foreman, WS-8	1
	Supervisory Park Technician, GS-7	1
	Accounting Clerk, GS-5	1
	Wildlife Biologist, GS-7	1
	Electrical Maintenance Foreman, WG-9	1
	Carpenter, WL-9	1
	Carpenter Leader, WG-10	1
Subtotal		43

## CATEGORY III

Channel Islands NM	Park Ranger, GS-7	1
Grand Canyon NP	Park Ranger, GS-9	1
	Park Ranger (Concessions), GS-11	1
Puukohola Heiau NHS	Park Aid, GS-2	1
Sequoia NP	Engineering Equipment Operator, WG-10	2
	Information Receptionist, GS-4	1
	Concessions Specialist, GS-12	1
	Clerk (Typing), GS-5	1
	Concessions/Media Clerk, GS-5	1
Western Archeological Center	Clerk-Typist, GS-4	1
	Archeologist, GS-9	1
Regional Office	Concessions Specialist, GS-11	1
Yosemite NP	Disposal Plant Operator Leader, WL-8	1
Subtotal		14
Total		57

PACIFIC NORTHWEST REGION

<u>Park Area</u>	<u>Position Title and Grade</u>	<u>Number</u>
CATEGORY I		0
CATEGORY II		0
CATEGORY III		
Regional Office	Concessions Analyst, GS-12	1
	Concessions Specialist, GS-7	1
Olympic NP	Concessions Analyst, GS-11	1
John Day Fossil Beds NM	Superintendent, GS-12	1
	Park Ranger, GS-9	1
	Park Technician, GS-7	1
	Administrative Clerk, GS-5	1
Crater Lake NP	Water Treatment Plant Operator, WG-9	1
Glacier Bay NM	Sewage Plant Operator, WG-9	1
Fort Vancouver NHS	Park Ranger, GS-9	1
Total		10

Positions to be allocated to the Servicewide Concessions Management Program .....	5
SERVICEWIDE TOTAL .....	400

## VANDALISM IN PARKS

Senator STEVENS. Is it true that in some parks, such as the cave parks, manpower has been so short that you have been unable to prevent vandalism even to primary park features?

Mr. EVERHARDT. There has always been some vandalism of both man-made and natural features in the parks. It cannot be prevented entirely unless every park visitor is kept under constant surveillance. The urge to collect objects and the will to deface appear to be ingrained traits in our culture; and most of the serious vandalism in the parks is caused by people who at least generally know that their actions are wrong. Therefore, public education has had only moderate effects in reducing vandalism problems.

It would be simplistic to say that additional manpower would completely control vandalism. Frankly, we doubt that we could or should justify a level of staffing that would result in total elimination of the problem.

Increased staffing would, by placing more uniformed employees in view, discourage people from throwing litter into thermal pools, spray painting on rocks and carving on trees and cave formations. It would increase the ratio of interpreters to visitors, thereby enabling us to reopen caves that were once available to the public and to provide for more manageable tour groups. Additional manpower would also enable the Service to step up the frequency of patrols. This would increase the probability of detecting and apprehending those who would vandalize facilities; deface signs and markers; and break through locked gates to steal formations from undeveloped wild caves for private or commercial purposes.

## MID-MANAGEMENT LEVEL EMPLOYEES

Senator STEVENS. It has been alleged that the Parks Service has too many employees at the middle management level and that by eliminating a number of those positions the Park Service could hire more employees to accomplish the on-the-ground tasks of maintaining the parks and carrying out the operating programs. What is your response to this allegation?

Mr. EVERHARDT. The Service relies very heavily on seasonal employees to carry out much of the maintenance and operating activities. This is possible only through considerable planning, management, and supervision performed by permanent employees at the middle management levels. It is also important to note that the professional operating work at the park level is performed on a permanent basis by park rangers, facility managers, and administrative personnel at the GS-9, 11, and 12 levels. Therefore, the middle management level of the Federal service is also the operating level in the National Park Service.

As of December 31, 1975, the National Park Service had employed approximately 10.6 percent of the full time employees of the Department of the Interior. However, we employed only 9.7 percent of the full time employees at grades GS-9, 11, and 12, the middle management level. The average grade level of full time employees in the Service on that date was lower than any Bureau of the Department, except one. Reducing the number of positions at this level could substantially hamper the Service in its efforts of maintaining the park areas and carrying out operating programs.

## CAMPGROUND RESERVATION SYSTEM

Senator STEVENS. Is your campground reservation system worked out for this summer yet? How will it operate?

Mr. EVERHARDT. In 1976 we will not have a nationwide campsite reservation system in operation, in the sense of our 1973 and 1974 systems. We are presently working toward that type of system, or something similar, to be operational for the 1977 camping season. In the meantime, several individual parks will be operating their own systems this summer. We anticipate that the systems utilized last year by Acadia, Grand Canyon, Platt and Mount McKinley National Parks will probably be repeated this summer. These are systems in which the camper generally mails a reservation request directly to the park and the reservation inventory is kept on written records rather than by a computer.

## DEVELOPMENT OF PROPOSED AREAS IN ALASKA

Senator STEVENS. Mr. Secretary, you have about 30 million acres now in the National Park Service. I think about 6 million of that is in Alaska.

Mr. REED. Yes, sir, I think that is about right.

Senator STEVENS. The proposals pending before Congress would add some 32 million acres to the Park Service, all of which are in Alaska.

In other words, should the Congress approve those, 38 million out of the 62 million acres in the National Park Service would be in my State alone.

Mr. REED. Yes, sir, that is right.

Senator STEVENS. I am still concerned about the commitment of the Park Service to make these Alaska national parks comparable to Yellowstone or Yosemite or the other great areas of the country.

Have you drawn up any 5-year plans for my parks?

Mr. REED. I would hope, with the arrival of Bryan Harry, in your home State, that we would see a tremendous drive in the National Park Service to enter into a 5-year plan, which I think is very necessary to increase the tourism to McKinley and the other sites.

I agree with you, Senator Stevens, that I think the criticism in the newspapers in Alaska which you have brought to my attention, has, in a sense, been fair.

I think we have been very slow in developing what I consider to be the most fantastic areas in Alaska, which could increase the tourism to your State many-fold. I would like to see the accommodations, a plan for accommodations and access go on a streamlined course.

I concur that a 5-year program for that kind of planning is the best kind of objective, and I would support it with the director, and I am sure he will, too.

Senator STEVENS. I would support your 32 million acres of new lands for parks in Alaska, if I thought they could be used by anyone other than multi-millionaires. The Gates of the Arctic, some 8 million acres of land set aside up there, is a beautiful place. But the only trouble is you have to have a twin-engine float plane to get there, and helicopters, after that, in order to see the geographic features. There is absolutely no access on the ground. That is just one example.

I think, if we are going to call these areas—parks, once you put the stamp of approval of the Federal Government on an area and call it a national park, a great many people in this country are going to want to find a way to get there.

For instance, I come from a family that prides itself on the fact that we have been to every national park twice. You tell me how my parents are going to get to the Gates of the Arctic, yet you call it a national park.

Mr. REED. I would hope we would jointly fly in together near Walker Lake, and walk through the Gates as Robert Marshall did.

Senator STEVENS. But we have to have that float plane to get there.

Mr. REED. At the moment, the only way to get in there is by float plane.

Senator STEVENS. If you are smart you will have a two-engine one. We lost two Congressmen because they went up with a single one.

Mr. REED. I went up in a twin and lost one engine so I would concur with your recommendation on two engines.

Senator STEVENS. When are we going to get down to the point where Alaskans can be sure that these are parks, and not more marks on paper to make somebody the greatest conservationist living?

God rest his soul, I sat with Fred Seton when he signed the papers that created the Arctic Wildlife Range, the Kuskokwim Wildlife Range, the Eisenbeck and I think in addition the Aleutians.

There were four areas, and it was on January 19th, 1961. That date ought to mean something to everyone. He signed those because he wanted history to know that he was concerned about Alaska.

I assume that one of these days, one of you will sign another eight to ten million acres. Did you know that since I left in 1961 not one single thing has been done with regard to any type of visitor accommodations in those areas that total over 12 million acres?

This is 15 years later, and Alaskans just see marks on a map that say they can't go in there and no one else can get there.

That is what I am afraid will happen to these 32 million acres unless somebody comes up with a plan for access. I will cooperate with you 100 percent in making as much land available in Alaska as necessary for dedication to national parks, as soon as your people show us how the public is going to get there, and what commitment you have to visitor accommodation, so that elderly people and the traveling public of this country can utilize those areas as national parks.

I have not seen it yet, and I am sure you are familiar with the objections coming from my state.

#### MT. MCKINLEY NATIONAL PARK

Mr. REED. I think, however, Senator, in response, we did work very closely with you after the aftermath of the fire at McKinley. I think both of us are well pleased with what we have been able to accomplish there.

Senator STEVENS. I agree. I think that is the result of a catastrophe, and it is a unique circumstance.

Still, that is the largest national park, as I recall. It does not have any paved roads. When I took the Appropriations Committee up

there this last year, we only went part way up, because everyone was half-way suffocated with the dust in that bus.

There has been no move toward recognizing the problems of that park alone. Mount McKinley is paved only to Savage River. You tell me any other national park in the country where the main road of access to the feature involved is not paved.

Mr. REED. Not to be argumentative, Senator, but I think in Wyoming we have a problem right now with a couple of parks there.

Senator STEVENS. The main access road?

Mr. REED. Yes.

Senator STEVENS. I have driven into most of these parks in this country, and I do not remember—

Mr. REED. Utah, Wyoming—

Senator STEVENS. I think the problem is that we see these criticisms of parks in the south 48, they are deteriorating, they are not being properly maintained according to the charges. I do not think that is a fault of yours. I think it is a fault of not having sufficient financial support for them.

But why should we rush into setting aside 10 percent of our State—incidentally, 40 percent of the habitable area of the State.

We cannot live above 4,000 feet in Alaska, as I am sure you realize. If 40 percent of the area of our State goes to national parks they will be usable by nobody, unless somebody makes a commitment to develop the facilities to use them.

#### ALASKA TASK FORCE FUNDING

I do not want to belabor it, but I notice that you have money, another \$2.5 million for the Alaskan task force, and this is to be dealing primarily, I take it, with surveys of the mineral problems in that area.

The mineral claims in these proposed 32.6 million acres number in the hundreds. I think if we are going to make the commitment to these areas, we ought to know where we are going.

#### FIVE-YEAR PLAN FOR ALASKA AREAS

Incidentally, this says, "5-year plans of development for the proposed additions" are accomplishments. Those additions are only additions to Mt. McKinley and Glacier Bay aren't they?

Mr. REED. Yes, sir.

Senator STEVENS. What about the other 20 million acres? Do we have 5-year plans for those?

Mr. EVERHARDT. No, sir, not at this time, Senator. We could certainly include that in our planning effort in Alaska, and part of this increase is to support the professional people to give this item attention.

You mentioned the mineral surveys, to do some survey of the historical sites in Alaska, the cultural sites that would be in conjunction and cooperation with the BIA, which would be turned over to the native corporations.

Senator STEVENS. Mr. Everhardt, with due respect, if you expect our people to have confidence in where we are going, I think it would be much better to have a plan that you could show to them

and say, "Look, if this is a park, this is how you will get to it and these are the visitor accommodations that will be there.

"If you need an airplane to get in, here is a little landing strip that will be there", and whatever else, so that we can look to it in the sense of saying, this will be a park, instead of a mark on a map on the wall that makes someone famous.

Mr. REED. Last week, Senator Stevens, I personally reviewed plans for several different areas which involved exactly what you are talking about, access points, the beginning of the detailed planning for visitor accommodation, for what the visitor would do when he was in the park.

The various float trips that would be available to him, trips on a lake, back-packing into back canyons. We just need to come up and give you a better briefing, because that work is ongoing now, sir.

#### PARK VISITOR NEEDS IN ALASKA

Senator STEVENS. I see the Chairman is back, and I do not want to belabor this, but, Mr. Secretary, you had better take a look at your visitor statistics. People who are coming to Alaska to visit our parks are overwhelmingly middle-aged to elderly people. They are not using back-packs. They are not taking float trips. You are planning 32 million acres of land for utilization by people who are not there. Our people do not need a park to go to.

Young people in Alaska do not want to be organized and regimented and put into a park to go back-packing. They go back-packing all over the blasted place.

It is not the same thing. You are dealing with a traveling public that supports the Park Service, and that public, in my opinion, is overwhelmingly beyond middle-age.

Mr. REED. And the overwhelming interest of that same group, Senator, is going down the Snake River. A great many float all over the country. There is no more popular thing going on in the National Park Service right now than floating.

You would be surprised on what strenuous trips those middle-aged, middle-class citizens will go. Some of the float trips in Alaska will be the most exciting part of their summer vacation.

Senator STEVENS. I could not agree with you more, but you show me how they will get to the beginning and get off at the end. At the present time there is no way to do it except float all the way and there are not many people floating all the way down the Yukon. There were about ten last year.

Mr. REED. I am not proposing they float all the way down the Yukon.

#### COMMITMENT TO DEVELOPMENT

Senator STEVENS. There is no way out. You have to get on in Canada and get off at Circle. There is no other way unless you have a float plane that will take you up. I think it is a matter of planning and setting forth for Alaskans the plans you have for this area.

If we do not get them it will be one of the historic battles of the century as far as setting aside this much land.

Again, when you put in one State 60 percent of the total land in the National Park System, if we approve those proposals, and you do not have any commitment of funds for facilities or for management or anything else that would anywhere be comparable to that amount of land, you are misleading the people. You know it and I know it.

Our people have seen how much commitment there has been to what is there already, and that is why they are reluctant to see any more added to it, when areas that are there have not been given the same treatment that they see outside, at Yosemite, Yellowstone, or Harpers Ferry. I am speaking of the great orientation of the features that the park was created to respect.

Mr. REED. We share the excitement of all Alaskans that you are on the Appropriations Committee, because we know how much you can do to help us get those needed facilities in Alaska.

Senator STEVENS. You give me a plan, and I am sure my friend from West Virginia and I can find some way to give you a little bit more money every year.

Mr. REED. It is a fair charge, and one that we take to heart, sir.

#### GLACIER BAY AIRPORT

Senator STEVENS. While we are discussing Alaska, what is the condition of the Glacier Bay Airport?

Mr. EVERHARDT. That is the Gustavus Airport which has two runways. One is a 5,000 feet long and 300 feet wide runway. While it is extensively cracked, the pavement is generally intact and has acceptable riding qualities. It has been used infrequently by the 727 aircraft, but because it passes closer to some residences and has somewhat less desirable approaches. The other runway is 7,500 feet long and 300 feet wide. It also is extensively cracked and some areas show more advance stages of pavement failure including ravelling of the surface, and up to 1 inch depressions from wheel loads causing poor drainage and roughness. The northwesterly, 2,300 foot portion was closed to jet traffic last year because of the roughness. The remaining 5,200 feet is adequate to accommodate the 727 aircraft from the standpoint of length.

Senator STEVENS. Is there any money in this budget for the airport?

Mr. EVERHARDT. There are no line item construction funds requested in the fiscal 1977 budget for this project. However, we are earmarking \$38,000 in fiscal 1977 advance planning funds to provide to the State for the preparation of plans.

Senator STEVENS. How many flights go in to Glacier Bay each week?

Mr. EVERHARDT. There is one commercial flight each day from mid-May to October. Otherwise, there are only occasional chartered flights.

Senator STEVENS. Who is responsible for maintaining the condition of the runway and navigational aids?

Mr. EVERHARDT. The State of Alaska is responsible for maintenance.

Senator STEVENS. What is the estimated cost of the needed repairs?

Mr. EVERHARDT. They are presently estimated at \$850,000.

Senator STEVENS. Does the National Park Service have the authority to perform the needed airport work?

Mr. EVERHARDT. Yes, sir, the act of March 18, 1950, Public Law 81-463, as amended, authorizes the Secretary of the Interior to plan, acquire, construct, operate and maintain public airports in, or in close proximity to the national parks, monuments, and recreation areas.

Senator STEVENS. We will look into that, Mr. Everhardt.  
Thank you, Mr. Chairman.

#### PROPOSED INCREASES FOR OPERATING PARKS

Senator BRYD. Let's get to the specifics of your \$272.8 million request for operation of the National Park System. As we discussed earlier, that is a substantial \$29.2 million increase over the current year. Generally, what can the taxpayer expect from all this additional funding?

Mr. EVERHARDT. The increases in operations will provide for the highest priority park operating needs in accord with the goals established for the Service; resource preservation and protection; the quality of visitor services and the requirements for recently authorized areas.

A significant portion of the increases will go for annualizing initial requirements provided in 1976 for newly authorized areas in program areas such as interpretive services, visitor protection and safety, resource management and maintenance.

Beyond these requirements for new areas, the increases requested will provide for the significant park operating needs. We also intend to restore services that had previously been curtailed with respect to visitor services and maintenance programs.

Mr. Chairman, these increases will go a long way in providing for the highest priority need in bringing parks up to standard.

#### MAINTENANCE INCREASES

Senator BRYD. The highest single operating increase is for maintenance, up some \$9.6 million. I think we recognize the maintenance problems confronting the Park Service, but please expand on the need for your proposed maintenance program of nearly \$124 million.

Mr. EVERHARDT. The maintenance program of the Service is a broad, expansive program designed to accommodate the maintenance needs of 286 park areas. The total maintenance workload includes 10,200 miles of roads; 9,700 miles of trails; 1,100 bridges and operation and/or maintenance of about 9,000 buildings. Another significant workload element of this program is the vast number of historic structures contained within the areas of the System. These structures, currently being inventoried, but now estimated to be in excess of 20,000, require specialized maintenance techniques necessary for their preservation. Additionally, the operation of new, sophisticated physical facilities, including sewage treatment plants, the upgrading of waste disposal methods and the need to promote energy conservation programs contribute to the total maintenance effort. It is important also to consider that as new areas are added to the System, some 23 in the last 3 years, a larger number of structures are being transferred along with the lands authorized for these areas. These structures, for the most part, require significant maintenance work.

Contributing also to the overall maintenance funding requirement are the continually escalating costs of equipment, supplies, utilities and fuel.

To a large measure, the maintenance program serves as the primary vehicle for preserving the physical features of the parks, protecting Government investment, providing for visitor safety and preventing more costly and extensive rehabilitation and reconstruction work.

#### MAINTENANCE BACKLOG

Senator BRYD. Are there any particular areas in which you have a serious maintenance backlog?

Mr. EVERHARDT. Mr. Chairman, the increases requested in this budget provide for the highest priority requirements in maintaining park facilities. There are, of course, other requirements that we could not provide for within the levels allowed.

In the 286 areas of the National Park System, there are approximately 10,200 miles of roads, 9,700 miles of trails, 20,000 plus historic structures and untold numbers of administrative and public use buildings, utility systems, fencing, signs, markers, campgrounds, bridges, thousands of acres of grounds and many other types of physical facilities to be maintained.

We are now developing systems to inventory physical facilities, the present condition, the condition they should be in, the cost of obtaining this standard and, of course, the priority of each.

This inventory and priority alignment will provide precise information upon which we will be able to support future budgetary considerations.

At this point in time, we do not have precise figures but it could easily approximate \$25 to \$40 million annually.

Senator BRYD. How much of your maintenance increase is directed to new areas?

Mr. EVERHARDT. Of the total operating increase requested in fiscal 1977, \$1.5 million is for new areas. Of this amount, \$700,000 or 46 percent is for maintenance programs in new areas.

Senator BRYD. How many new positions went into maintenance in the current year, and what is the current seasonal employment level in dollars and man-years?

Mr. EVERHARDT. In the current year, 151 of the recently authorized 400 in employment ceilings are being directed to the maintenance function. Current seasonal employment is 2,466 work-years at an estimated annual cost of \$20.9 million.

#### RESOURCE PRESERVATION

Senator BYRD. You are assigning \$1.6 million of the maintenance increase to preservation of properties and resources. Please supply a more specific justification for the record and indicate why much of this work should not be funded under Planning and Construction.

Mr. EVERHARDT. Historic resource preservation is a continual maintenance process requiring stabilization, repair and replacement of original fabric. Recently authorized park areas have come into the System with additional historic buildings and resources which require substantial stabilization and repair. A large portion of this increase

will be used for this purpose with the goal of placing the work on a cyclic maintenance schedule. The proposed increase will provide for major maintenance and preservation of historic properties at 6 recently authorized areas and stabilization, preservation and restoration of work of historic resources in several other parks in the System.

The type of work involved in this program represents operating costs that require to be accomplished less often than annually but on a cyclic basis. Because of this, it is more appropriate to fund such work under operations instead of Planning and Construction.

Senator BYRD. What is the estimated total need for historic resource preservation?

Mr. EVERHARDT. As of now I am not able to provide you with a good estimate. Beginning in fiscal 1976, I initiated a program to inventory historic structures throughout the Park System. The first phase of this study, which is almost complete, will tell us how many structures are in the System and the condition of each. In the next phase we will determine which structures are to be cared for and the condition they should be in. Thereafter, we will have estimated cost to meet the standard, and we will provide these data to you.

#### DISTRIBUTION OF NEW POSITIONS

Senator BYRD. We understand the North and Mid-Atlantic Regions are in line for nearly half the new positions. Why is this? Are these new area considerations?

Mr. EVERHARDT. Yes, sir, new areas and for Bicentennial areas. Most of the new facility construction requiring staff in revolutionary era areas are in the Mid-Atlantic Region. Also the new areas with the most significant staffing requirements are in the North Atlantic Region.

Senator BYRD. Your detail of permanent positions on page 173 is difficult to analyze because it is based on so-called authorized positions, not on actual positions filled. How many of the 657 unfilled positions are the result of normal lapses and how many because of personnel ceilings?

Mr. QUICK. Sir, the 657 projected vacancies are the difference between the end-of-year ceiling of 7,558 and the total permanent full-time positions of 8,215, as reflected in the personnel summary for each appropriation account. The number of 657 vacant positions represents a normal 8 percent lapse.

Senator BYRD. Is this lapse caused by personnel ceilings?

Mr. QUICK. No, sir, an 8 percent lapse is normal for the National Park Service considering its size and the nature of its decentralized operations. You may recall, Mr. Chairman, in past years we have reflected in our budget schedules as much as a 17 percent lapse. In accordance with budget instructions we have adjusted the total positions downward to show only a normal 8 percent lapse.

#### DETAIL OF NEW POSITIONS

Senator BYRD. Why do you list so many additional supergrades for 1976 and 1977? Are these positions being filled now?

Mr. EVERHARDT. Our 1977 budget submission shows ten supergrade positions at the GS-16, 17 and 18 levels existing and filled in 1975,

and twelve for 1976 and 1977. The two additions are Regional Director positions and were added to recognize the comparable level of work performed in these positions. Eleven of these positions are filled.

Senator BYRD. Please submit for the record a detail of permanent positions showing which ones are actually filled or are programmed to be filled during 1975 through 1977. Also give us the man-years of employment for those years.

Mr. EVERHARDT. We will be glad to provide that for the record, Mr. Chairman.

[The information follows.]

DETAIL OF PERMANENT POSITIONS AND  
FILLED POSITIONS BY FISCAL YEAR

Grade	Actual Fiscal 1975		Estimated Fiscal 1976		Estimated Fiscal 1977	
	Total	Filled 1/	Total	Filled	Total	Filled
Executive Level V	1	1	1	1	1	1
GS-18	--	--	1	1	1	1
GS-17	1	1	4	4	4	4
GS-16	9	9	7	7	7	7
GS-15	117	115	117	117	117	117
GS-14	243	240	242	240	242	240
GS-13	484	475	499	480	495	476
GS-12	685	649	700	651	670	620
GS-11	660	622	675	622	645	590
GS-10	6	6	6	6	6	6
GS-9	805	761	819	763	819	763
GS-8	56	53	56	52	56	52
GS-7	611	577	626	576	636	583
GS-6	379	347	394	352	434	398
GS-5	708	667	723	665	733	674
GS-4	382	360	398	362	397	362
GS-3	94	89	95	89	95	89
GS-2	8	7	8	7	8	7
GS-1	1	1	--	--	--	--
Ungraded	<u>2,644</u>	<u>2,506</u>	<u>2,844</u>	<u>2,563</u>	<u>2,849</u>	<u>2,568</u>
	7,894	7,486	8,215	7,558	8,215	7,558

1/. The number of positions filled is as of September 28, 1974 is within the period of peak employment. Fiscal 1976 and 1977 are estimated, based on the end-of-year employment ceiling.

SAFETY PROGRAM INCREASE

Senator BYRD. Please submit for the record a more specific explanation of cost factors involved in the safety program increase. Such phrases as "increased costs" and "increased operations" tell us very little.

Mr. QUICK. That is the visitor protection and safety program. Yes sir, we will submit it for the record.

[The information follows:]

COST FACTORS FOR VISITOR PROTECTION AND SAFETY

This function provides for increased cost for law enforcement, safety and training of personnel to aid park visitors in emergency situations, reduce visitor hazards and maintain an accident prevention program. More specifically it includes costs for travel, supplies and materials and other support costs to upgrade ranger activities and the

safety training program; equipment acquisitions and aircraft rentals for search and rescue operations; acquisition and installation of shop equipment, electrical and fire alarm systems to meet Federal OSHA standards and contracting for guard services to provide improved on-site protection for park visitors.

It provides for public safety promotion and information by automobile radio, printed material and park communication systems such as leasing of radio communication equipment and purchase of low frequency radio transmitters and related tape recording equipment for transmission of emergency messages to park visitors. Included in beach operations for safety and visitor protection in water recreation areas are the utility costs and sanitation services at beach use areas; contracting to provide emergency services for the increasing number of visitors using water recreation facilities; patrol boat for all weather search and rescue and routine patrols at Apostle Island National Lakeshore and operations at recently constructed beach facilities.

Operational increases for extended visitor season, new facilities, recently acquired lands and new areas include cost of equipment, supplies and materials and other support costs to provide visitor protection and safety at recently authorized areas and longer visitor use seasons in parks where new visitor uses are taking place.

#### POSITIONS FOR THE NATIONAL VISITOR CENTER

Senator BYRD. Mr. Everhardt, how many positions are going to the National Visitor Center, and what type of functions are involved?

Mr. EVERHARDT. Out of the 400 end-of-year ceilings, Mr. Chairman, we have assigned 29 positions to the National Visitor Center. These are made up of U.S. Park Police to give adequate attention and safety to the visitor to that area.

We also have presently on board there at the National Visitor Center 11 management personnel. These are the manager, the interpretive specialists, and chief of maintenance, who are responsible for proposals, contracts for maintenance and services and the interpretive program for the National Visitor Center when it opens on June 4, 1976.

#### NATIONAL VISITOR CENTER FUNDING

Senator BYRD. You are requesting \$3.5 million for annual rent of the visitors center. What kind of long-term financial arrangement does this commit us to?

Mr. EVERHARDT. Twenty-five years, Mr. Chairman, to pay off the total cost of the facility under the agreement we have for the National Visitor Center.

Senator BYRD. Aside from the rental payment, what is involved in the \$5.7 million total increase requested for the visitors center?

Mr. EVERHARDT. Part of that would take care of the Wage Board increase, to annualize those costs and, some \$289,000 for U.S. Park Police.

The other items, Mr. Chairman, include funds for contracting services, contracting maintenance, painting, and repairs of the visitor center. Also, funds are requested to pay the utility expenses for electrical service, water and sewer service.

Senator BYRD. What is the projected annual operating budget of the visitor center following 1977?

Mr. EVERHARDT. Seven point one million dollars.

Senator BYRD. Annual operating budget, following 1977?

Mr. EVERHARDT. That \$7.1 million would include the rental payment of \$3.5 million for 1977.

Senator BYRD. Would you expect to continue to pay \$3.5 million for annual rental?

Mr. EVERHARDT. Yes, sir, for 25 years.

Senator STEVENS. May I interrupt?

Senator BYRD. Yes.

#### VISITOR CENTER CONCESSIONS

Senator STEVENS. Are you going to have any concessions or any income from that operation down there?

Mr. EVERHARDT. No, sir. The existing concessions, operations that are in the main lobby of Union Station at this time, will be relocated in the new station that is being built by Metro. We will have parking, fast food and souvenir concessions.

We also will have a sales outlet operated by one of our historical associations to sell books, and interpretive material that is normal to most park operations.

These are non-profit associations that do assist the Park Service in many of its interpretive programs and sale of publications.

Senator STEVENS. Have you explored the concept of turning that into any kind of a mall, after the Bicentennial is over so that it would be semi- self-supporting?

That seems like a lot of money for the Park Service to dedicate for 25 years to support a visitors center. I do not know who is going to go there, after the Bicentennial.

Mr. EVERHARDT. It is our plan, Senator, that the majority of visitors to the Nation's Capital will find that the National Visitor Center is the starting point to their visit to Washington.

We are providing parking. There is the opportunity for bus services to provide access to the visitor center. Also, a tourmobile will be there. It will be a starting point for people to come for orientation as to all of the facilities, all of the activities available in Washington, D.C. This holds true far beyond the Bicentennial year.

Also, it becomes a focal point for interpretation of the entire National Park System.

Senator STEVENS. If you had those other things you just mentioned, all the urban facilities here in Washington, that means you will take a tremendous amount of money from the Park Service budget for visitors here in this area.

Mr. EVERHARDT. It is a big item.

Senator BYRD. It will be over \$100 million in 24, 25 years, including the interest on money that will have to be borrowed. You are already committed, are you, to a 25-year lease?

Mr. EVERHARDT. Yes, sir. That was a commitment in accord with the act that established the National Visitor Center in 1968. So it is a commitment that we have to meet, with respect to the rental.

#### COMPLETION OF NATIONAL VISITOR CENTER

Senator BYRD. What facilities at the visitor center will definitely be ready and available to the Bicentennial visitor this summer?

Mr. EVERHARDT. It is our plan to open the National Visitor Center and dedicate it on July 4th.

I had the opportunity a few days ago to visit the National Visitor Center to see what is happening there, to see what is the schedule of construction. We are building four floors of parking. Under that

is being constructed a new station. Also, we have the Metro unloading station there at the National Visitor Center.

The visitor will park or come in by bus or by tourmobile. He will then find interpretive facilities.

Senator BYRD. Will all of that be ready for this summer, for our summer visitors?

Mr. EVERHARDT. Yes, sir. That is what I am assured of, Mr. Chairman.

Senator BYRD. Do you think the progress—the effort is going along at a pace that will assure this?

Mr. EVERHARDT. Checking with our construction people, Mr. Chairman, they are right on schedule. Unless we have another strike or some other interruption, they are projecting a July 4th completion.

It will not be totally complete. One of the ramps to the parking will not be complete at that time, but the facility will be serviceable as designed to the visitor, with some minor alterations beyond July 4th.

Senator BYRD. What is the target date for completion of this work we are talking about?

Mr. EVERHARDT. One of the items that will not be complete will be one of the ramps serving the four floors of parking for buses and private vehicles. We will be able, however, on July 4th, to make arrangements to channel traffic through the other ramps that will be complete.

I would be glad to supply for the record the final completion date, but on the other additional ramp, I do not have that at this time.

Senator BYRD. Suppose you do that, supply that for the record.

Mr. EVERHARDT. I have the information now. All of the facilities will be completed by July 4, 1976, except the southeast ramp which will be completed in early 1977.

#### VISITOR CENTER CONSTRUCTION COSTS

Senator BYRD. How much construction funding has been invested in the center to date, and what are estimated future needs?

Mr. EVERHARDT. As of this date, \$42,569,130 in construction funds have been set aside for the visitor center. All but \$2,000,000 are presently under contract and that amount is in the process of being obligated.

The sources of the construction funds are \$16,608,000 from Park Service, \$9,598,130 from the D.C. Government and the Urban Mass Transit Authority, and \$16,365,000 from private sources—Railroads and GSI.

An estimate of future needs cannot be determined at this time, but some of the major needs will be for air conditioning for the entire building, shoring up of the north wall, and making permanent the theaters that were deferred and constructed as temporary.

Senator BYRD. Please supply for the record a table showing all costs for the visitor center for 1975, 1976, and estimated for 1977 fiscal years by appropriation and activity.

Mr. EVERHARDT. Yes, sir, we will provide that information.

[The information follows:]

*Funding for the National Visitor Center by appropriation, activity and fiscal year*

Purpose	Amount	Appropriation	Activity
Fiscal year 1975:			
Operations ----	\$431,600	Operation of the National Park System.	Park management.
Construction ..	7,500,000	Road construction .....	Roads and trails.
Fiscal year 1976:			
Operations ----	1,327,400	Operation of the National Park System.	Park management.
Construction ..	1,150,000	Road construction .....	Roads and trails.
Do .....	9,598,130	(Appropriations to D.C. Government and Urban Mass Transit Authority).	
Fiscal year 1977:			
Operations ----	7,104,000	Operation of the National Park System.	Park management.

## BICENTENNIAL PLANS

Senator BYRD. While we are on the Bicentennial, what plans are being made area-wide for this summer's visitors to the Nation's Capital?

Mr. EVERHARDT. Is this for the Park Service, Mr. Chairman, throughout?

Senator BYRD. Yes.

Mr. EVERHARDT. We have a number of items, many items being planned for this year throughout all areas of the National Park System.

Senator BYRD. I am talking about the Nation's Capital.

Mr. EVERHARDT. We have a list, Mr. Chairman, that we would be able to supply for the record. I would like to highlight a number of these.

On March 15th, the Bicentennial Information Center will be open at the Commerce Department. The Great Hall is being developed as a Bicentennial Visitors Information Center, which has strong support of the White House, and is geared to the activities around the Elipse.

This will have a Traveler's Aid. It will house an exhibition of White House gifts from foreign countries to this country during the Bicentennial year.

On March 16th, the White House Visitor Program will be started. This is a new program that we experimented with prior to the end of last year to give people a system of ticketing so that they could have a time to visit the White House.

On the Ellipse, there is a program of entertainment, of interpretation while they are awaiting their visit to the White House.

We are also proceeding with the final completion of construction activity at the Lincoln Memorial. I will supply the full list.

[The information follows:]

NATIONAL CAPITAL PARKS  
BICENTENNIAL EVENTS

- February 12 - Lincoln's Birthday Wreath-laying (Lincoln Memorial)
- February 14 - Frederick Douglass Portrait Unveiling (Frederick Douglass Home)
- February 16 - Washington's Birthday Ceremony (Washington Monument)
- February 22 - Frederick Douglass Oratorical Contest (Fort Dupont Activity Center)
- March 13 - Benjamin Franklin Kite Day (Washington Monument)
- March 14 - St. Patrick's Day Parade
- March 15 - Bicentennial Information Center (Department of Commerce Great Hall)
- March 16 - White House Visitor Program (President's Park)
- March 17 - St. Patrick's Day Wreath-laying Ceremony (Emmett Statue)
- March 30 - Dedication of Washington Monument Visitor Orientation Center  
(Washington Monument Grounds)
- April 6 - Lantern Lighting (Japanese Lantern)
- April 7 - Sewall-Beimont House Signing Ceremony
- April 10 - Cherry Blossom Parade
- April 13 - Jefferson's Birthday Wreath-laying Ceremony (Jefferson Memorial)
- April 25 - National Capital Velo Races (The Ellipse)
- April 30 - George Washington's Inauguration Day Ceremony (Founder's Day)  
(Washington Monument)
- May 1\* - Lincoln Memorial - Elevator and Ramp
- May 8\* - Rededication of Meridian Hill Park
- May 8 - Metropolitan Police School Safety Patrol Parade
- May 8 - 15 - Armed Forces Week (Washington Monument Grounds)
- May 15 - Fort Washington Torchlight Tour
- May 29 - 30- President's Cup Regatta (East Potomac Park)
- May 29 - June 13 - D.C. Outdoor Art Fair (Ellipse)
- \* - LBJ Grove Opening
- May 31 - Memorial Day Ceremonies  
First Division Monument  
Second Division Monument
- June 1\* - Constitution Gardens

- June 1 - Eye of Thomas Jefferson (Grant Statue Reflecting Pool)
- June 2 - Anacostia Pavilion and Recreation Complex Dedication (Anacostia Park)
- June 6 thru  
September 10- Eagle Scout Center (West Potomac Park near statue)
- June 11 - Fort Dupont Sports Complex Dedication
- June 14 thru  
September 6 - "Great America" Musical (Sylvan Theatre)
- June 16 thru  
September 6 - Festival of American Folklife (Reflecting Pool Area)
- June 18 thru  
June 20 - Harpers Ferry - Heritage Days (Harpers Ferry Historical Park)
- June 24, 25 &  
July 1-2 - Spirit of '76 Musical (Department of Baptist Women) (Sylvan Theatre)
- June thru  
September - Watergate/Jefferson Memorial Concerts (Jefferson Memorial)
- July 4-5 - Happy Birthday USA (Washington Monument Grounds)
- July 4 - National Visitor Center Dedication
- July 4 - Fireworks Display (Fort Washington Park)
- July 7-8 - Official State Visit of Queen Elizabeth (Possibility of visits to various sites)
- July 9 - Frederick Douglass Memorial Mobile Theatre Opening (Frederick Douglass Home)
- July 10 - Bethune Birthday Ceremony (Lincoln Park)
- July 17 - Summer Outdoor Theatre opening (Fort Dupont)
- July 31 - Jefferson Memorial Elevator and Ramp Opening
- August 28-29- Capitol Power Boat Races (West Potomac Park)
- August 27-29 - National Guard Ceremonies (Washington Monument Grounds)
- September 12 - Rock Creek Classic Velo Races (Rock Creek Park)
- October 10 - Jousting Tournament (Polo Field, West Potomac Park)
- October 11 - Columbus Day Ceremony (Columbus Plaza)
- December 16 thru  
January 1 - Christmas Pageant of Peace (The Ellipse)

\* Suggested or undetermined date

## SECURITY MEASURES FOR VISITORS

Senator BYRD. What is being done to assure the security of people when they come here?

Mr. EVERHARDT. We are cooperating with the local Metropolitan Police.

Senator BYRD. Is that going to be good enough?

Mr. EVERHARDT. We certainly hope so.

Senator BYRD. You had that cooperation on Human Kindness Day, didn't you?

Mr. EVERHARDT. Yes, sir.

Senator BYRD. What steps are being made to assure that people will be secure?

Mr. EVERHARDT. As I mentioned, we are increasing our U.S. Park Police effort. We are bringing on additional assistance there in the form of Park Police technicians. These are less than full-time permanent employees for this year.

We are also continuing our cooperative efforts with the city and with other law enforcement agencies around the metropolitan area, to assure that the best that we can provide, Mr. Chairman, will be given to the safety and well-being of the visitor to this city during the Bicentennial.

## BICENTENNIAL FUNDING

Senator BYRD. What fiscal 1977 expenditures in your request can be attributed specifically to the Bicentennial?

Mr. EVERHARDT. There are no funds for Bicentennial activities in fiscal 1977. There are, of course, operating funds for facilities built during the past few years as part of the Bicentennial construction program. These are all permanent facilities that were called for by our general management plans and were not built just for the Bicentennial.

## CAPITAL CITY CONSTRUCTION

Senator BYRD. There is a lot of construction under way on the Mall. Will all of that work be finished before the summer crowds reach the city?

Mr. EVERHARDT. Yes, sir.

Senator STEVENS. May I interrupt, Mr. Chairman? Have you asked for cooperation from the Metro people to stop this construction during this season this year? I note there are several places—

Mr. REED. I agree with you, Senator, and we thought about it coming up this morning. There is another big, fresh cut this morning. I observed to the people in the car with me, "My gosh, I hope we are not going to have these emergency cuts with the visitors just beginning to arrive in great numbers."

Yesterday was a jam day. Every tourmobile I saw was full, and I guess it is the balmy weather around Washington that really has produced big crowds in the last few days.

We were much closer in touch with Metro a year ago, and we had at that time an assurance that the major road arterial system would be clear of construction. I will have to recheck that and get back to you.

I do not know if the new cut down here on Constitution is Metro or a sewer break, but they sure have a hole in the ground.

Senator STEVENS. They have some periphery construction they could be involved in, and we tried to get through there a couple of times going down Constitution and Pennsylvania here last week, and it is really tough during the rush hour.

Senator BYRD. They must be building an underground city along Pennsylvania Avenue. They have been on that thing for I don't know how long.

Senator STEVENS. The amazing thing is that the blockades are up at noon, but if you go home eight o'clock at night they are not there.

Senator BYRD. Oh, yes they are. I have gone home at eight at night. They were there last night when I went home at ten o'clock. They are there all the time.

Senator STEVENS. The one I go through, Pennsylvania Avenue, was not there last night.

Senator BYRD. It was there at ten o'clock.

Senator STEVENS. It is like a floating crap game out there.

Senator BYRD. There were klieg lights in my eyes, as I attempted to get through, a man with klieg lights, and I couldn't tell if he was flagging me through or flagging the other traffic.

#### OPERATING INCREASES FOR NATIONAL CAPITAL PARKS

About the capital parks, it would appear the biggest operating increase among your regions is for the National Capital Parks, up \$6.5 million to more than \$51 million. What is involved in this increase of nearly 15 percent, aside from the visitor center?

Mr. EVERHARDT. Most of that, Mr. Chairman, other than the National Visitor Center, would be to annualize these Wage Board increases, to annualize the classified pay increases, to take care of those built-in increases, such as GSA rental, the pension fund for the U.S. Park Police and those type items.

Senator BYRD. Why can't the National Capital Parks be cutting back on expenditures, instead of showing increases in the fiscal year following the Bicentennial?

Mr. EVERHARDT. The 1977 fiscal year is following right on the heels of the opening of the visitors center. The increase of rental for the visitor center was not provided for in Fiscal 1976.

We will need additional funding, Mr. Chairman, in 1977 for the continuation of those programs and those activities there.

Senator BYRD. You show about a 13 percent reduction in operating request at the Harpers Ferry Center, about \$800,000. What is involved in that operating cutback?

Mr. EVERHARDT. That is related to the Bicentennial planning, Mr. Chairman. The Harper's Ferry Design Center as you recall from your recent visit there, has been very active in planning the programs and interpretive exhibits for these new facilities that are being constructed in the Bicentennial areas.

After Fiscal 1976 there will be no need to continue that planning effort, so we are reducing that by a net amount of \$841,000 in 1977.

## CONCESSIONS MANAGEMENT PROGRAM

Senator BYRD. Senator Stevens made some reference to your concessions management program at the National Visitor Center. Let us look at the overall program for which you are requesting a \$312,000 or 48 percent increase. Is this expansion in response to the recent GAO criticism of the program?

Mr. EVERHARDT. Yes, sir. We felt that as a result of taking an in-depth review internally, and also as a result of the GAO findings and the other studies that have been carried out by the Department that there is a need to put greater emphasis in our concessions management program.

We are authorizing the hiring of 31 additional people in our concessions management program. Many of these will be assigned to large parks throughout the system that have a concessions program.

We feel that this will give us a much-improved management of our concessions program in those areas, and some of our regional offices and also here in the Washington office.

Senator BYRD. The staff has analyzed the GAO recommendations and tells me that the concessions management program must have been in very poor shape to require so many improvements. How did it get that way?

Mr. EVERHARDT. I think, Mr. Chairman, that over the years the emphasis in other programs, the need to reassign personnel, to reassign resources to other more important things, at that time, over the last several years has resulted in a diminishment of our concessions emphasis.

We are trying this year to put back the proper emphasis in that program that has certainly been pointed out to us by these recent reviews, studies and reports.

## CONCESSIONS MANAGEMENT STUDIES

Senator BYRD. When will your concessions management studies be complete and recommended changes available?

Mr. EVERHARDT. We had planned on contracting with a consulting firm to conduct studies on Concessioner Pricing Comparability and Concession Management Policies. It has been determined that information obtained from Congressional Hearings, and studies conducted by the General Accounting Office and the Department's Concessions Management Task Force that the Concessions Management Policy Study is not necessary and therefore has been deleted.

The Request For Proposals relative to the pricing study will be issued shortly. We had expected to issue the RFP by March 1. However, there has been a delay due to the necessity of obtaining concurrence from other Federal Agencies and their concessioners to permit a consultant under contract with the National Park Service to examine their financial reports and operations. We are hopeful that the RFP will be issued in March and that the study will be completed by early April 1977. Recommended changes will be made in June of 1977.

In addition to the contracted study, we will be reevaluating the following activities to determine how we can best administer the concessions program.

1. Franchise Fee Formula. It is anticipated that any revisions to the present formula will be made in early 1977.

2. Franchise Fee Waiver Procedure. We will be thoroughly reviewing the present procedure and make any revisions necessary about June 1978.

3. Account Classification and Annual Report Form. It is anticipated that our review and recommended changes will be completed in the latter part of 1977.

After these studies are completed we will publish proposed policies for public comment about June 1978, and then publish all concession related regulations in late 1978 or early 1979.

I have a schedule of Concessions Management projects and when each is estimated to be completed I would like to supply them for the record.

[The information follows:]

## SCHEDULE OF PROJECTS

Estimated Date For Completion  
1976 - 1977 - 1978

PROJECTS	1976	1977	1978
J F H A M J J A S O N D	J F M A M J J A S O N D	J F M A M J J A S O N D	J F M A M J J A S O N D
I. Pricing Study			
Request for Proposals	X		
Award of Contract		X	
Report of Contractor's Study			X
II. Review Franchise Fee Formula			X
III. Annual Concessioner Evaluation			
Issue For Comment - Complete		X	
Revise if Necessary			
IV. Concessions Management Guidelines			
Complete Draft - Request comments		X	
Issue and Implement			
V. Review System Account Classification			
Annual Report Form			
Complete Draft and Issue for Comment		X	
Issue			
VI. Franchise Fee Waiver Procedure			
Complete Draft and Issue for comments			X
VII. Issue Convention Policy - Completed			
VIII. All Regulations			
Publish proposed policy for public comment			X
Publish all Regulations			X

## CONCESSIONS POLICY OF FIRST REFUSAL

Senator BYRD. We have heard complaints about one Park Service policy that gives a concessioner in any given area first refusal on any new concession. What is the reason for that policy and how can it be justified in such places as the Washington, D.C., area?

Mr. EVERHARDT. We have generally followed the policy of granting existing concessioners the right to provide new or additional accommodations, facilities or services considered necessary or desirable and that are similar to those the concessioner provides under his contract. This does not mean that in an area like the Lake Mead National Recreation Area, where we have several concessioners providing marina services, that an existing concessioner would be granted the operation of a new marina. This, we believe is in compliance with Section 4 of the Concessions Policy Act (P.L. 89-249) which states:

"The Secretary may authorize the operation of all accommodations, facilities, and services for visitors, or of all such accommodations, facilities, and services of generally similar character, in each area, or portion thereof, administered by the National Park Service by one responsible concessioner and may grant to such concessioner a preferential right to provide such new or additional accommodations, facilities, or services as the Secretary may consider necessary or desirable for the accommodation and convenience of the public."

In Metropolitan Washington, D.C., we have followed this policy closely, although we do have 13 concessioners in the area. Our prime contractor in Washington, a non-profit distributing corporation, has the preferential right clause in its contract. The rationale in this instance is that it affords the Service the capability to provide desirable and/or necessary accommodations in an expedient manner. Also, and to a greater importance, it permits the Service to call upon the concessioner to provide a service that is necessary but is financially marginal, at best. If we were to contract for each service on an individual basis it would be most cumbersome and administratively complex. Further, if we were to contract for each service we would receive many proposals for the lucrative operations and none for the less financially viable business ventures.

## VISITOR PROTECTION PROGRAM

Senator BYRD. You made reference to beefing up the visitors protection program in Washington. The requested increase for visitor protection and safety is about \$1.5 million.

How many new positions went into this program in the current year?

Mr. EVERHARDT. Out of the 533 positions, Mr. Chairman, that were added in the 1976 budget, the allocation of 400 end-of-the-year ceiling, we have assigned 71 positions Service-wide to the visitor protection and visitor safety.

As I mentioned to Senator Stevens, we have just had an opportunity to sit down and review in detail the 1976 program.

We have met with our Regional Directors and have issued to them regional allocations. They, at this time, are reviewing their individual park needs, their individual park priority list, and will be reporting back to us by the end of this month their allocation on a park-by-park basis of these positions.

## SEASONAL EMPLOYMENT

Senator BYRD. What is the current seasonal employment total in terms of dollars and man-years?

Mr. EVERHARDT. The 1976 fiscal year seasonal employment for the Visitor Protection and Safety Program is estimated at 768 work-years at a cost of \$6.5 million.

Senator BYRD. You are asking for some \$600,000 for seasonal employment for interpretive services. Give us the 1976-77 levels of seasonal employment in terms of dollars and man-years.

Mr. EVERHARDT. For fiscal 1976, 1,100 work-years are being utilized for the interpretive services program at an estimated annual cost of \$9.3 million. For fiscal 1977, 1,175 work-years are being budgeted at an estimated cost of \$9.9 million.

## RESOURCE MANAGEMENT

Senator BYRD. You have a \$1.7 million increase for resource management. How many new positions were added to this activity this year?

Mr. EVERHARDT. While we are requesting \$1.7 million in fiscal 1977 for resource management, no increase in permanent positions is being requested. However, in fiscal 1976, 40 additional employment ceilings were provided for in this program.

Senator BYRD. What specific costs are involved in the increases requested under resource management for new areas and for identification and preservation of historic resources?

Mr. EVERHARDT. The costs represent such factors as contractual services under cooperative agreements with various associations in Boston for assistance in the protection and preservation of historic Faneuil Hall, the Old South House, Old South Meeting House, and Paul Revere House; purchase of an all-terrain vehicle, an airboat for the protection of Big Cypress; contractual services for preservation of historical buildings and grounds at Martin Van Buren NHS; contractual services to assess geological and paleontological resources at John Day Fossil Beds NM, and research projects to collect resource data at Big Thicket National Preserve.

Senator BYRD. You are requesting a total increase of more than \$600,000 for contractual services under resource management. What is the total contracting estimate for this activity in 1977?

Mr. EVERHARDT. The estimated amount for this activity in 1977 is \$1,700,000. A major element financed from this program involves basic research data by contract with universities.

## JUSTIFICATION OF SELECTED INCREASES

Senator BYRD. Please supply for the record a brief justification for operating increases requested for the following park units: Yellowstone NP; Statue of Liberty NM; Great Smoky Mountains NP; natural science program and preservation of historic structures, Southeast Region; Apostle Islands NL; and Voyageurs NP.

Mr. EVERHARDT. Yes, Mr. Chairman, we will be happy to do that.  
[The information follows:]

## OPERATING INCREASES, SELECTED PARKS AND PROGRAMS

Yellowstone National Park.....\$1,076,300

These increases will provide for amortizing movable equipment to keep pace with rising replacement costs, commercial electric power and telephone increases; additional helicopter services for fire emergencies and backcountry operations; more frequent road surface maintenance effort to prevent deterioration; repainting domestic water reservoirs to prevent structural damage and resource management projects. These funds will also provide for natural fire monitoring based on new fire management policy, centerline striping of park roads and rebuild eight heating systems to improve operating efficiency.

Statue of Liberty National Monument..... \$520,300

These increases will provide for continued operations at Ellis Island, which were begun in Fiscal 1976, including 8.0 work-years of interpretive and protection personnel and 8.9 work-years of maintenance workers and laborers. It will also provide for contractual maintenance and repairs of the seawall and buildings on Ellis Island. There is also an increase for the annualization of the Fiscal 1976 Wage Board increase for maintenance employees.

Great Smoky Mountains National Park..... \$439,600

These operating increases are needed to initiate control of the exotic wild hog population within the park; preservation of the park's 90 historic structures; safety training and inspection program for approximately 8 million visitors annually; provide expanded interpretive service during the spring and fall (April, May, September and October); centerline striping and edge marking for 121 miles of roads; and to provide for the routine care and preservation of the park's historical archives and collections.

Natural Science Program, Southeast Region..... \$157,000

This increase will meet the most critical of the identified scientific information needs. It is balanced to utilize internal and external specialists in the most effective and efficient manner. The Southeast Region's Resources Studies Program is designed to obtain the scientific information required to properly manage the resources of the highly diverse parks of the Southeast Region and to assist with studies required for compliance with the 1969 National Environmental Protection Act and the Endangered Species Act. The two research units, Uplands Field Research Station and the Coastal Plains Research Unit, established under this program serve to coordinate requested research surveys, resources inventories, consultative services, etc., which will often be performed by universities or other agencies, act as a focal point for natural science research, focus attention upon pressing resources management problems, provide consultative services to managers and planners, and provide continuity of understanding.

Program for Preservation of Historic Structures in Parks, Southeast Region..... \$200,500

These funds are needed to increase the annual funding level of the regional historic preservation program initiated in fiscal 1976. The Southeast Region has an inventory of over 600 historic structures, sixteen of these are major masonry forts. It is estimated that preservation costs for these structures are over \$58 million. In order to achieve the greatest feasible impact in preserving the endangered historic resources of the Region an increase in the annual cyclic 20 year program is required. Projects in fiscal 1977 calls for preservation work to be carried out at Cumberland Island National Seashore, Carl Sandburg Home, Cowpens National Battlefield, and Virgin Islands National Park.

Apostle Islands National Lakeshore..... \$139,100

The increases are for the purchase of a 35-40 foot patrol boat for search and rescue operations and to transport materials and employees to the various Island units from the mainland; and for the operation and maintenance of facilities on the Island units formerly operated by the State of Wisconsin.

Voyageurs National Park..... \$139,800

The increases are for the operation and maintenance of lands, waterways and 100 campsites recently transferred to the park by the State of Minnesota.

## EXECUTIVE DIRECTION

Senator BYRD. How many new positions were added to your executive direction activity in fiscal year 1976? Please give us the average employment for this activity for fiscal 1975, 1976 and estimated for 1977.

Mr. EVERHARDT. No new positions were added to the executive direction activity in fiscal year 1976. In fact, there was a reduction of 6 positions in fiscal year 1976. The average employment for this activity for fiscal 1975 was 170 and 164 is estimated for fiscal 1976 and fiscal 1977.

## OBJECT CLASS CHANGES

Senator BYRD. Please supply brief justification statement on object class increases in your operating account for rent, communications and utilities; other services; supplies and materials; and lands and structures.

Mr. QUICK. The most significant increase in the rent, communications and utilities object class is the rental payment for the National Visitor Center as required by agreement between the Terminal Realty Company and the Department of the Interior.

The increase in "other services" includes: contractual services for operation and maintenance, natural resources inventory, environmental assessments and resources management, hydrologic monitoring by the U.S. Geologic Survey, aerial fire detection, guard services to reduce vandalism, boundary surveys, road surfacing and cyclic maintenance programs.

In addition to price increases in most supplies and materials, particularly fuel, there is the initial funding for supplies and materials for new areas.

The increase in "lands and structures" includes amounts for rehabilitation of buildings, roads and trails and other facilities to sufficiently increase the value of fixed assets.

## PROPOSED REORGANIZATION PLAN

Senator BYRD. Last year the Park Service furnished the Committee with an informational copy of a proposed reorganization plan. Where does that plan stand now?

Mr. EVERHARDT. Since last year, Mr. Chairman, we have spent a considerable amount of staff time reviewing our organizational structure here at Washington. We also appointed a task force to look at all of our central office's organizations.

These recommendations have been finalized and have been forwarded to the Department for final review and final approval.

Senator BYRD. Could you highlight the reorganization now and explain how the changes would bring about improved efficiency and save the taxpayers' money?

Mr. EVERHARDT. We have given attention to redefining our operating staff at the central office levels to place the proper emphasis on policy, direction, and the overall guidance and direction needed at the Washington level to the operations of areas in the national park system.

I have taken a very serious look at any of those areas where the Washington staff are involved in the day-to-day operations of parks because my feeling is that the day-to-day operations of parks are the responsibility of the Superintendent and his staff.

We think there are going to be some savings in manpower. These savings will be reassigned to park areas where we have discussed with you this year and last year the needs for additional manpower in interpretation, maintenance, visitor protection, and all of the activities of each park.

The final analysis is not quite finished at this time, but as soon as we get approval at the Departmental level of our proposed reorganization we would be most happy to share that with you and share with you the savings and any reassignment or reallocation of these savings to direct park operations.

Senator BYRD. Would the reorganization serve to reduce the Washington administrative corps and reinforce field operations in terms of personnel?

Mr. EVERHARDT. That is our entire intent in making this reorganization, Mr. Chairman, as well as to give some new direction and new emphasis to the goals and objectives of the National Park System with respect to the operations of the Washington office.

#### NPS INVOLVEMENT IN NATIONAL CAPITAL ACTIVITIES

Senator BYRD. Senator Stevens, do you have any questions before we move on to Planning and Construction?

Senator STEVENS. I only wanted to follow up on one thing, Mr. Chairman. That is, with regard to this national capital area. Is there any way that we could set in motion some sort of planning mechanism so that at the end of this period you are committed to we might find a way to relieve the Park Service of this continuing obligation in areas of the Nation's Capital?

I am thinking of the things that the Secretary mentioned, and the visitors center. Isn't there a possibility that we could set up some sort of a non-profit organization or something of that nature that would be managing the total aspects of the performing arts and the visitors center and Sylvan Theatre and everything else that relates to the Nation's Capital, and not be continually a part of your operation?

I should think that would be a break-even proposition, to manage those things. They are not today, are they?

Mr. EVERHARDT. No, sir. Recognizing the concern of this Committee, and recognizing the concern expressed by Secretary Reed this would be one of the objectives during the next fiscal year, that we would want to ask our management staffs to take an in-depth review of.

I think there is a responsibility of the National Park Service in some of our cultural heritage. This has been supplemented by certain Acts of Congress in the past. I think we need, however, to continually review all of the activities we are involved in and if there is an opportunity to move in the direction you suggest, Senator, we would certainly want to be charged to do that to bring about better use of our resources.

Senator STEVENS. I am not sure we can charge you to do it, but I think we ought to ask you at least to examine the possibility that there might be a better way to manage this visitor facility and some of the other facilities that really are not traditional Park Service activities.

Let me put it this way: If you are compelled to manage the visitor facility here, why should you not manage totally the visitor facility for Philadelphia? You certainly have a great many things in Philadelphia.

You manage the things in your particular Park Service entities up there. But you are managing the total visitors to the Nation's Capital now, aren't you?

Mr. EVERHARDT. Not in every respect. The National Visitor Center was looked at some years ago, and it was decided that there was a need for a central location for visitors to come to for an orientation to the Nation's Capital.

I think the idea is still a very valid one, because people need to see how to get into these various facilities around the Capital, and maybe they are not aware of many of the things where there is an opportunity for them to visit.

I think the idea of exploring other modes of operation is a good one.

Senator STEVENS. Why shouldn't you manage the West Virginia visitor's center, if you are going to manage it here? What is the difference?

This is the Nation's Capital, I understand that. But there are historic sites in West Virginia or San Francisco or Philadelphia. If you are going to have a visitors center wherever there is an accumulation of historic sites, I think you would be in a different business in 25 years.

Mr. EVERHARDT. I guess it is a result of the National Park Service's outstanding role we have here in the Nation's Capital.

Senator STEVENS. You do have that, but I think there is also a total management responsibility for the management of visitors that goes beyond that, and it looks to me like you are taking it over here.

I think you should examine where you are going, and tell us if there is any way that this could be managed in a better way.

Mr. EVERHARDT. We would be happy to.

Mr. REED. Mr. Chairman, I guess I have been involved so long I am in the middle of the trees and have trouble seeing the forest, at least with respect to the visitor center. We must remember that at the end of the 25-year period the building becomes a facility of the National Park Service which was contemplated in the original legislation.

However, I think your concerns are highly justifiable. If we were doing it all over again in 1968-1969 I don't know whether we would have come out the same way we did. I think we need to have, certainly, the operations of a visitor center during the Bicentennial year and the year following the Bicentennial year, which I suggest to you will be a very crowded year.

But I think you are wise at the Appropriations Committee level to be concerned, and I think we need to respond to you. That is

a heck of a lot of money and the National Park Service operating costs have been increasing in a rapid way. I think we owe you a very keen overview of where we are going and whether we ought to ask some questions after the big rush of the Bicentennial is by us.

Your questions are highly proper and I think we need to be responsive to them.

#### PLANNING AND DEVELOPMENT PROGRAM

Senator BYRD. As to the planning and construction account, for which you are requesting \$33.5 million, that is \$5.9 million above appropriations to date for the current year. But it also involves a \$30.5 million cutback in obligations.

The companion request for road construction totals \$18 million for appropriations to liquidate contract authority. This is more than \$22 million under the 1976 appropriation to date and reflects an even sharper drop of \$36.5 million in the obligation program.

This is a tightly-constrained construction program. What did the Park Service ask for originally?

Mr. EVERHARDT. Our request of the Department, Mr. Chairman, was \$100 million. I think we discussed this last year, that we felt that this was a level of funding needed to carry out our program of rehabilitation, construction and preservation of resources and facilities.

The Department's request to OMB was \$89 million and the NPS budget to Congress is \$41 million.

Senator BYRD. I think it would be helpful for the Committee to have the Park Service priorities for both construction accounts. Would you please supply for the record the details of the Departmental request to OMB that did not get into the President's budget.

Mr. EVERHARDT. We would be happy to.

[The information follows:]

Construction Projects Considered for Fiscal  
1977 but not Provided for in the Budget

<u>Region, Park, and Project Descriptions</u>	<u>Planning and Construction Buildings and Utilities, Etc.</u>	<u>Road Construction Roads, Trails, and Parkways</u>
<u>ROCKY MOUNTAIN REGION</u>		
<u>Bent's Old Fort NHS (Colorado)</u>		
<u>\$113,000</u>		
Fort Area		
Produce Interpretive Wayside Exhibits (10), and Acquire Historic Furnishings for Reconstructed Fort (Portion) (109)	\$ 113,000	\$ --
Subtotal	113,000	--
<u>Glacier NP (Montana) \$2,216,000</u>		
Park General		
Reconstruct Sewage Collection and Treatment Systems at Saint Mary and Rising Sun (141)	2,216,000	--
Subtotal	2,216,000	--
<u>Golden Spike NHS (Utah) \$1,471,000</u>		
Headquarters		
Construct Working Replicas of Two Historic Locomotives with Tenders (130)	1,471,000	--
Subtotal	1,471,000	--
Totals, Rocky Mountain	3,800,000	--
<u>NORTH ATLANTIC REGION</u>		
<u>Gateway NRA (New Jersey-New York)</u>		
<u>\$1,656,000</u>		
Park General		
Rehabilitate 5 Miles of Roads, Parking Lots' Utilities and Visitor Use Buildings (109)	1,492,000 <sup>1/</sup>	164,000
Subtotal	1,492,000	164,000
<u>Statue of Liberty NM (New York)</u>		
<u>\$607,000</u>		
Park General		
Acquire 50-Foot, Twin- Engine Boat (103)	607,000	--
Subtotal	607,000	--
Totals, North Atlantic	2,099,000	164,000

NATIONAL CAPITAL PARKSAntietam NBS (Maryland) \$30,000

## Park General

Project Planning for Expansion of  
Visitor Center and Construction  
of Restroom Facilities (102)

	30,000	--
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Subtotal	30,000	--
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Catoctin Mountain Park (Maryland)\$25,000

## Camp Round Meadow

Project Planning for Replacement  
of Temporary Dormitories with  
Year-Round Cabin Units and  
Improvement of Camping  
Facilities (125)

	25,000	--
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Subtotal	25,000	--
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Chesapeake and Ohio Canal NHP(D.C.-Maryland) \$1,440,000

## Park General

Reconstruct and Stabilize Historic  
Structures (Portion) (219)

	1,410,000 <sup>1/</sup>	--
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## Ferry Hill

Project Planning for Rehabilitation  
of Ferry Hill House for Use as  
Headquarters and Upgrade  
Utilities (206)

	30,000	--
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Subtotal	1,440,000	--
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Fort Circle Parks (District of  
Columbia) \$197,000

## Fort Dupont

Replace Existing Park Police Horse  
Stables and Station (213)

	197,000	--
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Subtotal	197,000	--
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Fort Washington (Maryland) \$158,000

## Park General

Stabilize and Underpin Historic  
Walls (106)

	158,000 <sup>1/</sup>	--
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Subtotal	158,000	--
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George Washington Memorial Parkway  
(Virginia) \$724,000

## Fort Hunt

Replace Existing Maintenance  
Facility and Equip with Solar  
Energy Heating/Cooling System (114)

	413,000	--
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## Iwo Jima Memorial

Project Planning for Construction of  
Comfort Station (138)

	15,000	--
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## Mount Vernon Bicycle Trail

Upgrade 7 Miles of Hiker/Biker  
Trail (181)

	--	296,000
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Subtotal	428,000	296,000
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<u>Manassas NBP (Virginia) \$32,000</u>		
Chinn Ridge		
Repair Chinn Ridge Road, 0.5 Miles (126)	--	32,000
Subtotal	--	32,000
<u>Piscataway Park (Maryland) \$35,000</u>		
Park General		
Project Planning for Stabilization of 6.5 Miles of Shoreline of Piscataway Bay and Potomac River (112)	35,000	--
Subtotal	35,000	--
<u>President's Park (District of Columbia) \$342,000</u>		
White House-Executive Residence		
Rehabilitate Air-Conditioning System (Portion) (248)	342,000	--
Subtotal	342,000	--
<u>Prince William Forest Park (Virginia) \$30,000</u>		
Park General		
Project Planning for Replacement of Maintenance Facilities (145)	30,000	--
Subtotal	30,000	--
<u>Rock Creek Park (District of Columbia) \$555,000</u>		
Park General		
Project Planning for Construction of New Park Police Substation (Replacement of Trailers) (104)	83,000	--
Project Planning for Realignment and Reconstruction of "L" Street Bridge (105)	--	210,000
Remodel Interior of Nature Center and Design New Exhibits (Portion) (103)	262,000	--
Subtotal	345,000	210,000
<u>Wolf Trap Farm Park (Virginia) \$30,000</u>		
Park General		
Project Planning for Construction of Maintenance Facility (103)	30,000	--
Subtotal	30,000	--
Totals, National Capital Parks	3,060,000	538,000

SOUTHEAST REGION

<u>Everglades NP (Florida) \$397,000</u>		
Royal Palm		
Rehabilitate Visitor Center and Construct Comfort Station (102)	397,000	--
Subtotal	397,000	--

Gulf Islands NS (Florida) \$3,546,000

## Naval Live Oaks

Construct Visitor Center, Utilities,  
Maintenance Facility, 0.5 Mile  
Access Entrance Road and Parking,  
Nature and Hiker-Biker Trails  
(112)

	3,146,000	400,000
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Subtotal	3,146,000	400,000
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Natchez Trace Parkway (Mississippi)\$6,500,000

## Section 3-C

Construct 2.7 Miles of Mainline  
Parkway and 2 Structures; Initial  
Grading of 3.0 Miles and Construc-  
tion of 8 Structures (Portion)  
(105)

	--	6,500,000
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Subtotal	--	6,500,000
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Totals, Southeast	3,543,000	6,900,000
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MIDWEST REGIONFort Larned NHS (Kansas) \$655,000

## Park General

Stabilize Nine Historic Structures -  
Numbers 1 through 9 (Portion)  
(157)

	655,000 <sup>2/</sup>	--
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Subtotal	655,000	--
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Perry's Victory and InternationalPeace Memorial (Ohio) \$2,903,000

## Park General

Replace South Seawall (1,400  
Linear Feet), Backfill and  
Restore Grounds (Portion) (102)

	2,875,000 <sup>1/</sup>	28,000
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Subtotal	2,875,000	28,000
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Totals, Midwest	3,530,000	28,000
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SOUTHWEST REGIONGuadalupe Mountains NP (Texas)\$1,249,000

## Pine Springs

Construct Complete Utility System  
for Operational Headquarters and  
Visitor Center Complex, Sewage  
Treatment Plant, Two 3-Bedroom  
Residences for Park Protection  
Staff and 0.75 Mile Access  
Road (101)

	1,102,000	147,000
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Subtotal	1,102,000	147,000
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Totals, Southwest	1,102,000	147,000
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WESTERN REGIONChannel Islands NM (California)\$306,000

## Park General

Project Planning for the Construction of Mainland Administrative Headquarters, Visitor Center and Patrol-Boat Landing at Ventura Marina (107)

282,000 24,000

Subtotal 282,000 24,000

Joshua Tree NM (California) \$132,000

## Park General

Construct Concrete and Steel Covers to Close Off 10 Unsafe Mine Shafts (218, 219)

132,000 --

Subtotal 132,000 --

Lake Mead NRA (Nevada) \$987,000

## Boulder Beach

Expand Power System (140)

987,000 --

Subtotal 987,000 --

Totals, Western 1,401,000 24,000

PACIFIC NORTHWEST REGIONMount McKinley NP (Alaska) \$292,000

## Headquarters/Hotel Area

Construct Fuel Pumping Station and Underground Storage (116)

292,000 --

Subtotal 292,000 --

Olympic NP (Washington) \$459,000

## Park General

Replace Radio Communication System (127)

459,000 --

Subtotal 459,000 --

Totals, Pacific Northwest 751,000 --

Total all Regions 19,286,000 7,801,000

Total, Planning and Construction and Road Construction \$27,087,000

1/ Only partial funding provided for in the President's Budget.

2/ Original request \$655,000. Reduced to \$31,000 the amount available in the development authorization.

## CATEGORIES OF CONSTRUCTION FUNDING

Senator BYRD. Please supply for the record a comparison of your 1975, 1976 and requested 1977 allocations of construction funding by category as displayed on pages 81 and 82 of your justification.

Mr. EVERHARDT. We will provide that for the record, sir.

[The information follows:]

*Construction program by category, fiscal 1975-77*

	Fiscal 1975		Fiscal 1976		Fiscal 1977	
	Project No.	Amount	Project No.	Amount	Project No.	Amount
Pollution abatement .....			6	\$440,000	14	\$13,548,000
Preservation of historic resources in park areas ..	28	\$22,380,000	11	1,255,000	6	5,270,000
Rehabilitation of existing park facilities .....	15	5,487,000	17	1,782,000	1	314,000
Initial facilities in new and recently authorized areas .....	9	3,510,000	18	6,389,000	3	1,190,000
Facilities to provide for increased visitor use and protection of visitors and resources .....	20	15,014,000	11	3,756,000	1	214,000
Energy conservation in park areas .....					( <sup>1</sup> )	326,000
Total .....	72	46,391,000	63	13,622,000	25	20,862,000

<sup>1</sup> To provide heating and cooling in existing and new park facilities using solar energy, there are a number of projects now in the planning stages. The most feasible ones will be accomplished within these funds.

## UNOBLIGATED BALANCES IN CONSTRUCTION

Senator BYRD. Your financing statement for planning and construction indicates you will have less than \$1 million unobligated by the end of 1977. Do you still anticipate you can achieve that?

Mr. EVERHARDT. Yes, we still anticipate a low unobligated balance in Planning and Construction by the end of fiscal 1977. The unobligated projection of \$956,000 is based on a trend of improved obligations in recent years in the construction appropriations. This is largely attributable to actions taken by the Service in recent years designed to expedite the execution of construction programs.

For example, planning must be accomplished, to the extent possible, before funds are requested because of the complex and time consuming planning and design process. In addition, A&E contractors are used to the fullest extent possible when the workload exceeds our capacity or when specialized skills are required beyond those available within the Service. The implementation of these and other steps has improved the obligation rate, leaving less unobligated carryover for the following year.

Senator BYRD. Although your direct planning and construction program obligations are down, your reimbursable program increases by \$1 million. Why is this?

Mr. QUICK. The increase in the reimbursable program is an estimate based strictly upon past history, which shows a steady climb in reimbursable activity. These are requests for services from other Federal and non-Federal entities.

Senator BYRD. On page 116 of the construction justification you show a figure of \$1.2 billion identified as "appropriation required to complete". Complete what? Projects already under way? Or is that the total authorization?

Mr. QUICK. Mr. Chairman, this figure represents the amount, in current dollars, to complete the remaining construction financed from this account, as included in legislative authorizations and reflected in the document entitled Estimated Development Requirements of Areas of the National Park System.

#### PARK, RECREATION AND WILDERNESS PLANNING

Senator BYRD. In your park, recreation and wilderness planning activity you attribute a \$1 million reduction to "greater efficiency anticipated in the new planning process." Tell us about that.

Mr. EVERHARDT. The major program change which this statement reflects is a redirection in National Park Service priorities. The reduction in planning funds will help finance our increasing responsibilities in Alaska activities. General management plan activity will be reduced to lower levels for some areas and terminated in others. The greater efficiency anticipated is a long-term expectation that fewer planning projects will be needed in the future as a result of our new planning process.

#### NEPA COSTS

Senator BYRD. How much of your planning costs are tied to environmental impact statements? Do you have a reasonably accurate break out?

Mr. EVERHARDT. Compliance with NEPA's substantive requirements has been thoroughly integrated into the Service's recent revision of its planning process. Most of the costs associated with NEPA compliance are therefore inseparable from the cost of the planning process as a whole. Compliance with NEPA's procedural requirements entail only the relatively minor costs of editing and printing and circulating EIS documents. These costs are considered insignificant when compared to the cost of the planning project as a whole. They are, therefore not separately accounted, but are included as part of the overall project costs.

For the National Park Service, the environmental impact statement is basically a summary of the environmental analyses conducted during the planning process. Although various documents displaying environmental impacts may be prepared during the course of planning, environmental statements are prepared only after planning proposals have been selected and only in cases where these proposals have a significant effect on the environment. The actual preparation of the statement is largely an editorial function, since most of the text, displays, and analyses have been previously completed as integral parts of the planning process itself.

## POLLUTION ABATEMENT

Senator BYRD. In your planning and construction budget the biggest single amount, \$13.5 million, is for pollution abatement. Why the emphasis on this program?

Mr. EVERHARDT. Mr. Chairman, we have four projects totaling \$7.5 million in Shenandoah National Park, which is the construction necessary to meet State of Virginia water quality standards. The present facilities are discharging pollutants in violation of Virginia water quality standards that have to be corrected, or these facilities could be closed down. We think this is a high priority item necessary to avoid the closure of facilities in Shenandoah National Park. We are also planning to proceed with correction of facilities on the Blue Ridge Parkway where we are in violation of Virginia standards.

Senator BYRD. What are the total estimated needs of the Park Service in pollution abatement construction?

Mr. EVERHARDT. We will have to supply that for the record, Mr. Chairman. I do not have an update on that figure. We have asked each of our regions and each of our Park superintendents to submit that to us, and it should be coming in in a short date. We will be glad to supply that for the record.

Senator BYRD. If you will.

[The information follows:]

## POLLUTION ABATEMENT CONSTRUCTION

The National Park Service is primarily concerned with prevention, control and abatement of water and air pollution and solid waste disposal. Correction of any deficiencies in these categories will require that construction funds be budgeted for, or minor deficiencies may be corrected by park personnel from their operating resources.

Programming for pollution abatement construction needs is handled by individual park areas whenever their monitoring reveals that systems and facilities have or soon will be deficient in that the discharge of pollutants equals or exceeds established Federal, State or local standards. The programming is in accordance with requirements of Executive Order 11752 of December 17, 1973, Prevention, Control and Abatement of Environmental Pollution at Federal Facilities. Pollution standards established by the above Government entities have been changing in past years thereby requiring more sophistication in the design of systems to control pollution. The Service is now in the process of having the many systems evaluated to ensure that present standards are being complied with and if not to submit reports as required by the Environmental Protection Agency. The Service does not now have any estimate of construction requirements. Requirements change as more stringent requirements are being established by States.

## VIOLATING POLLUTION LAWS

Senator BYRD. Is there any park unit which is in danger of violating Federal, State or local pollution control laws other than that one?

Mr. EVERHARDT. We mentioned Blue Ridge Parkway, and we are taking some steps in the 1977 program to correct that. There is also the Zion National Park, but that is in the program for 1977.

Mr. REED. I do not know of any beyond 1977. I think we have finally gotten there, Mr. Chairman, with this budget. I would be surprised, there may be some minor ones, but after 5 years of work we are finally arriving at the end of the pollution abatement plans.

Senator BYRD. The total construction program by regions as tabulated on page 83 of the justification shows about half the funding going to the Mid-Atlantic, Mid-west and Western regions, particularly the Mid-Atlantic; why is that?

Mr. EVERHARDT. That is because of the pollution abatement problems at Shenandoah, Mr. Chairman. Shenandoah is in the Mid-Atlantic Region.

#### WHITE HOUSE REPAIR PROJECT

Senator BYRD. There is a \$1.2 million request for the White House electrical system. Why is this the responsibility of the Park Service?

Mr. EVERHARDT. The White House, the main part of the White House is an historic structure. Under a reorganization plan of the Nation's Capital in 1933, the Office of the National Capital Parks was given the responsibility for care and maintenance of the White House and some 18.7 acres of grounds there.

In making a study of the electrical system we found there is a lot of problems with it. It is not up to certain standards, and, in conjunction with GSA, who has the responsibility for the east and west wings, we are making a total rehabilitation of that electrical system to bring it up to standards to meet the current uses.

#### FEDERAL AGENCY, STATE AND PRIVATE ASSISTANCE

Senator BYRD. You continue to budget more than \$1 million for Federal agency, State and private assistance. Isn't this really the province of the Bureau of Outdoor Recreation?

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, technical 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.

I will be glad to submit for the record the principal legislative authorities mandating or sanctioning these important National Park Service activities of Federal agency coordination and State and private assistance.

[The information follows:]

936 Park, Parkways and Recreation Areas Act (P.L. 74-770); 1942 Act Authorizing the Disposition of Recreational Demonstration Areas (56 Stat. 326); 1950 Act Authorizing Exchanges of Recreational Demonstration Areas (P.L. 81-640); 1965 Water Resource 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).

#### ICE AGE NATIONAL SCIENTIFIC RESERVE

Senator BYRD. Please explain the \$99,000 increase proposed for the Ice Age National Scientific Reserve.

Mr. EVERHARDT. In accordance with Public Law 91-483 and a Cooperative Agreement between the Service and the Wisconsin Department of Natural Resource, the Service is required to pay a 50 percent share of the annual costs in management, protection, maintenance, and rehabilitation of the reserve. There will eventually be 9 operating units in the reserve. The State is now operating 4 units and recently acquired the 5th unit. The increase is needed to pay the Service's share of cost in operating these units.

#### ROAD COSTRUCTION ADVANCE PLANNING

Senator BYRD. How much of your road construction obligational program is allocated to advance planning?

Mr. EVERHARDT. We are proposing a program level of \$2.4 million for advance planning in the Road Construction account. There is also a request of \$2.6 million under the Buildings and Utilities account. This stage of the development program is extremely important for an orderly and timely planning-design-construction process. Advance planning consists of aerial and topographic surveys, archeological research, comprehensive designs and preliminary drawings necessary for the ultimate facility to be constructed or reconstructed.

#### ROAD CONSTRUCTION AUTHORITY

Senator BYRD. Don't you have clear authority to construct and maintain roads, parkways, and trails without any need for an authorization in the Federal-Aid Highway Act?

Mr. EVERHARDT. Yes, sir; we do.

Senator BYRD. As you may know, the Budget Reform Act will place road construction funding in the future on a direct appropriation basis. Do you know of any reason why we should not shift you to a direct appropriation this year and drop the use of advance contract authority?

Mr. EVERHARDT. We have adequate legal authority to conduct our road construction program separate and apart from the contract authority provided in Federal-Aid Highway Acts. Direct appropriations would be far less complicated than the contract authority method. My only concern would be the recognition of an annual program level commensurate with the needs in the park areas and the goal to assure adequate and safe road systems.

Mr. QUICK. Mr. Director, if I may point out one possible problem area under the direct appropriation method involving unobligated balances. An advantage of advance contract authority is that we can obligate approved projects in advance of the need for appropriations of cash to liquidate obligations. Under the direct appropriation method, and for larger projects requiring 2 to 3 years to complete, could result in higher unexpended balances at the end of each year until the project is completed.

#### RECREATION FACILITIES

Senator BYRD. Under your Recreation Facilities account, the appropriation request of \$14 million is the same as the current year, but you are shifting the funding more to maintenance and construction. Why?

Mr. EVERHARDT. The reduction in the visitor transportation system program and offsetting increases in rehabilitation projects in fiscal 1977 is continuation in that year of the direction of congressional action in the 1976 Appropriations Act.

Senator BYRD. What effect will the cut in your visitor transportation program have? Isn't this the kind of program that is working and should be expanding?

Mr. EVERHARDT. Yes, sir, this program is working very well and we certainly would like to continue it in those areas where there is a demonstrated need. The cut in this program will not allow us to undertake any visitor transportation studies in fiscal 1977. Also implementation of new visitor transportation systems will be delayed.

#### HISTORIC PRESERVATION

Senator BYRD. We have already discussed the \$10 million cutback in historic preservation grants as a policy issue. What about the specific impact of this reduction? Do you have any details?

Mr. EVERHARDT. Sir, we must acknowledge that the impact of a 50-percent cut will be extremely serious. The States have certain fixed costs to conduct surveys and planning which is the foundation for the historic preservation program.

This element of the program can only be cut so far. Therefore most of the decrease will have to be applied to the project area. We do not know the exact number of projects the proposed amount will provide for, but it will be substantially reduced. Until the States submit their annual Preservation Plans, sometime in July, we will not be able to provide any details of how each State would be affected.

Senator BYRD. Although the requested obligation program of historic preservation is being cut in half for 1977, I note that personnel expenses increase slightly and such things as travel, printing, supplies and

equipment remain at the same level. With a program reduction, why can't you cut these costs?

Mr. QUICK. The portion of the historic preservation program that is being cut in half is the Grants-in-aid portion. All other subactivities are planned to be carried out at basically the same level as in 1976.

#### NATIONAL TRUST FOR HISTORIC PRESERVATION

Senator BYRD. How will the grant program reduction affect support for the National Trust for Historic Preservation?

Mr. EVERHARDT. Assuming that as proportionate reduction would be applied to the National Trust it would result in a possible reduction in staff and a cutback in its advisory, educational, and technical assistance programs. These programs have been responsible for generating local and private support for the national preservation policy.

Senator BYRD. Apparently the level of grants to the National Trust are determined by the Secretary of the Interior. Do you know why this level of support increased so rapidly the past 5 years—from \$1 million to \$2.7 million?

Mr. EVERHARDT. Support increased because of increased program funding. Five years ago the total grant appropriation was slightly under \$6 million, and the Trust was given slightly over \$1 million or 16.5 percent. The fiscal 1975 and 1976 appropriations were \$20 million, and the Trust's share increased to \$2.7 million or 13.5 percent of the total. This has paralleled the increasing activity and productivity of the Trust in terms of advisory and educational programs in the private sector, membership increases every year, and closer cooperation with the Federal Government in an essential supporting role for national preservation and environmental policy.

Senator BYRD. What is the estimated support level for the National Trust in 1976 and 1977 fiscal years?

Mr. EVERHARDT. In fiscal 1976, the Trust received \$2.5 million in grant assistance. The cutback in fiscal 1977 would require the National Park Service to recommend to the Secretary of the Interior a substantial reduction from \$2.5 million. The extent of that reduction will be a factor of many considerations, among which would be the Trust's operating proposals for the year, as well as an evaluation of the relative needs of the Trust and the States in fiscal 1977.

#### ADVISORY COUNCIL ON HISTORIC PRESENTATION

Senator BYRD. Mr. Everhardt, I understand pending legislation contains a provision that would set up the Advisory Council on Historic Preservation as an agency independent of the Park Service. Do you have any thoughts on that proposal?

Mr. EVERHARDT. Mr. Chairman, the National Park Service has taken a number of steps to increase the advisory council's independence. These include delegating my responsibility as executive director to the council's executive secretary; having the professional staff report to the council through the executive director; and requesting that the council be treated as a related agency for budgetary purposes. This last item has not yet been accomplished but we have made the council an item separate from the National Park Service historic

preservation program. These actions have been taken while the legislative initiative in S. 327, which is consistent with our efforts, is pending.

Mr. Chairman, to emphasize my belief that the council should have maximum independence, I would like Mrs. Nancy K. Shipley, the Council's Vice-Chairman, to comment on this question and answer any others that the Committee may have on the Advisory Council.

Mrs. SHIPLEY. The advisory council was created by the Historic Preservation Act of 1966 with two specific mandates to advise the Congress and the President on matters relating to historic preservation and to conduct the review under Section 106 of Federal agency actions which might affect properties listed on the National Register of Historic Places. Congress clearly intended that the advisory council serve the function of advising Congress, the President, and Federal agencies on an equal and independent basis. A number of difficulties not anticipated in 1966 have compromised the council's independence.

In part, these difficulties are inherent to the organizational structure of the council as established by the 1966 Act. By law, the Director of the National Park Service serves as the executive director of the council. In addition, the council's staff are all presently classified as employees of the National Park Service. This is despite the fact that one-fourth of the requests for comments originate with the Department of the Interior.

Similarly, the council's budget is treated as a part of the National Park Service budget. The council's budget can only be established within limits set by the Department and the National Park Service.

In addition, the statutory relationship between the council and the Department of the Interior has presented problems in the provision of independent legal services for the council and in meeting certain review responsibilities under the Federal Advisory Committee Act. In both cases, the council's independent stature is subject to incompatible review or control by the Department of the Interior.

The Secretary of the Interior and the Director of the National Park Service have recognized that the present arrangement results in conflicts of interest. The Senate has also recognized this problem and has recently passed S. 327, which remedies these existing legal and administrative problems. Also, the Senate included appropriation authorization language for the council in Title II. The authorization is limited to \$1.25 million in fiscal year 1976 with annual increments of \$250,000 through fiscal year 1979.

#### CURRENT BUDGET PROCEDURES

Senator BYRD. What are the council's views on the present procedure of having its budget processed by the Park Service?

Mrs. SHIPLEY. Since the council's establishment, its budget has been a part of the National Park Service budget as a sub-line item under Preservation of Historic Properties. This status as a sub-line item also forces the council into counter-productive competition with the National Park Service's and the Department of the Interior's preservation programs.

The Department and the National Park Service have cooperated to the extent possible to enable the Council independently to fulfill its responsibilities. The Department and the National Park Service

have recognized the need to provide the Council with the independent status envisioned in the 1966 Act. Jointly they have supported actions in furtherance of independence for the Council by requesting the Office of Management and Budget to make the Council a "related agency" of the Department for budget purposes and offering to take whatever administrative steps are possible to give the council maximum independence during the interim period while legislation is being developed. The council believes, however, that the ultimate enactment of S. 327, with its amendments affecting the council's status, is the best answer to this problem.

#### COUNCIL OPERATING COSTS

Senator BYRD. The council's budget request remains unchanged again this year. With cost increases, how is this affecting the council's operations?

Mrs. SHIPLEY. In brief, Mr. Chairman, the answer is that the council is having to do more and more with the same number of dollars. The council's budgetary position has remained relatively static since fiscal year 1972. Yet, the council's compliance case load has continued to increase at a rapid rate. In fiscal 1975, for example, the council processed over 1,100 cases, and the number for fiscal 1976 is expected to be over 1,500 cases. In addition, the council continues its many other activities—publications of studies and reports, coordination of interagency activities—in accord with its mandate to advise, recommend, and assist.

Senator BYRD. Does the \$564,000 budget request for the council cover all its expenses, including financial and administrative services provided through the Park Service?

Mrs. SHIPLEY. Mr. Chairman, out of the council's \$564,000 annual budget, the Park Service deducts some \$29,000 for administrative support, such as processing payroll and personnel, under the category "Facilitating Administrative Services," leaving the advisory council a budget figure of \$535,000 as its total authorized plan. The Park Service, however, has often emphasized to the council that the full costs for administrative assistance provided to the council are much higher than the token amount charged. While there are no figures available from the Park Service on the exact cost of such support services they can be estimated to be in excess of \$85,000 above the amount paid by the council.

Senator BYRD. Please supply for the record an object class breakdown of the council's operating budgets for 1975, 1976, and 1977 fiscal years, actual and estimated.

Mrs. SHIPLEY. The council's operating program, as submitted to the Park Service budget office, is summarized and enclosed for fiscal 1975 and 1976. If the council's budget remains the same for fiscal 1977, it can be estimated that figures will remain the same as in the 2 previous years. Also enclosed, however, is an estimate of the council's budgetary figures for fiscal 1977 as they would appear if S. 327 were to become law and the council were to be given the authorized level of funding, which would meet the costs of independent status and provide the council with adequate resources to meet the rapidly expanding demand for its services.

[The information follows:]

Operating Budget for the Advisory Council  
Fiscal 1975-1976

<u>Object Classification</u>	<u>Fiscal 1975 Actual</u>	<u>Fiscal 1976 Estimate</u>
Personnel compensation and benefits	\$443,416	\$485,602
Travel and transportation of persons	24,700	39,000
Transportation of things	1,770	--
Printing and reproduction	13,000	--
Other services	41,314	5,198
Supplies and materials	5,800	2,000
Equipment	10,000	4,000
Grants, subsidies, contributions	<u>3,000</u>	<u>--</u>
Total	543,000	535,800

## FINANCIAL PLAN - OPERATING PROGRAM FOR FY 1977

<u>Item</u>	<u>Current Budget</u>	<u>Net Change</u>	<u>Proposed Budget</u>
1. Personnel compensation and benefits	\$ 485,602	+ \$ 264,398	\$ 750,000 <sup>1/</sup>
2. Travel	39,000	+ 36,000	75,000
3. Transportation of things	--	+ 5,000	5,000
4. Printing	--	+ 30,000	30,000
5. Supplies and materials	2,000	+ 8,000	10,000
6. Equipment	4,000	+ 26,000	30,000
7. Other services	5,198	+ 94,802	100,000
8. Services of other agencies <sup>2/</sup>	<u>28,200</u>	+ <u>221,800</u>	<u>250,000</u>
TOTAL	\$ 564,000	\$ 686,000	\$1,250,000

- 1/a. The current Council staff totals 30, 19 permanent positions and 11 temporary. (21 professional positions and 9 support)
- b. The proposed increase would provide for the conversion of 11 temporary positions to permanent positions and would provide for the addition of approximately 20 new positions. (13 professional positions and 7 support)
- c. The current geographic staff distribution is 25 positions in Washington, D.C. and 5 in Denver, Colorado. The proposed distribution would reduce the Washington, D.C. staff to 21 positions and would increase the field staff in Denver and four new offices to 29.

2/The National Park Service (NPS) estimates the cost of financial and administrative services at between 20% and 30% of the total budget. However, by agreement between the Chairman and the Director, NPS, the Council only pays NPS 5% of the current budget for financial and administrative services and NPS assumes all additional costs. While there are no figures available from NPS on the exact cost of such support services (e.g., rent, utilities, telephone, franking privileges and personnel and budget administration) they can be estimated at between \$84,600 and \$141,000 over the 5% paid by the Council. The increase in this item reflects the inclusion in the Council's budget of these costs incurred by NPS on behalf of the Council but not included in the Council's current budget as well as an increase to 20% of the total proposed budget as per NPS' estimate (20%-30%) for financial and administrative services.

## JFK CENTER FOR THE PERFORMING ARTS

Senator ROBERT C. BYRD. The appropriation request for the Kennedy Center is just over \$3 million. That's nearly \$500,000 above the 1976 appropriation to date.

Most of the increase is attributed to rising utility costs, but this seems to be a steep increase. What has been done to cut costs at the center?

Mr. EVERHARDT. The Kennedy Center is one of the world's largest all-electric buildings. After the energy crisis developed, the Service, with the assistance of the Kennedy Center, immediately undertook drastic measures to reduce the consumption of energy. In fiscal 1974, the number of kilowatt hours consumed was reduced 29 percent. In fiscal 1975, it was reduced another 11 percent, but no further significant reductions can be expected. Even with this decrease in consumption, the fuel adjustment charges have increased the cost of electric service substantially.

Senator ROBERT C. BYRD. How much has visitation to the center increased since the Park Service took over operation and maintenance of non-performing arts areas?

Mr. EVERHARDT. The National Park Service took over responsibility for operation and maintenance of the non-performing arts areas of the Kennedy Center in October 1972. Visitation in calendar year 1971 was 2.0 million. Visitation was 3.5 million in calendar year 1975.

## COSTS OF "SALUTE TO ROGER STEVENS" PARTY

Senator BYRD. At the staff's request, the Park Service supplied preliminary figures on the costs involved in the fund raising party held last month honoring the JFK Center's director. Please supply those costs for the record in detail.

Mr. EVERHARDT. We will provide that, Mr. Chairman.

[The information follows:]

## NATIONAL PARK SERVICE'S EXPENSES IN CONNECTION WITH THE "SALUTE TO ROGER STEVENS" HELD AT THE KENNEDY CENTER JANUARY 25, 1976

U.S. Park Police—226 hours of overtime.....	\$2,600
Nurses.....	85
Building engineer—overtime.....	135
Otis elevator mechanic—on standby in event of elevator failure.....	230
Total.....	3,050

Senator BYRD. The preliminary figures indicate the Park Service put up about \$3,000, most of it for park policy overtime, with only a token amount to be reimbursed by the Center. Why should the taxpayers bear the bulk of these costs for what was essentially a performing arts affair?

Mr. EVERHARDT. Under Public Law 92-213 the National Park Service provides security, maintenance, information, interpretation, janitorial and all other services necessary to the non-performing arts functions at the John F. Kennedy Center. Of these, operation and maintenance costs for the Kennedy Center building are allocated between the Park Service, 76.2 percent, and the Kennedy Center, 23.8 percent, in accordance with the cooperative agreement between them dated July 1, 1973, and extended by letter on November 7, 1975.

These allocation are based on the estimated hours the Center is used for non-performing and performing arts functions. This hours-of-use method was selected because it was simple and required no additional record-keeping; was one which could be accurately determined; and eliminated need for conducting studies to determine square feet used by each function.

The General Accounting Office, in its April 28, 1975, report, has recommended the cost-allocation agreement be revised to require the allocation formula be reviewed periodically and revised as necessary to insure costs are properly allocated; and obtain authority to make audits to verify costs incurred by the Park Service.

Senator BYRD. Park Police overtime costs were about \$2,600. Why was it necessary to have so many police on duty? What did they do?

Mr. EVERHARDT. The U.S. Park Police are charged with responsibility for safety and security at the Kennedy Center in accordance with Public Law 447, 80th Congress, as amended.

At the January 25, 1976, "Salute to Roger Stevens" 48 members of the U.S. Park Police staff were required at the request of the Secret Service, in accordance with regular practices when the President and Vice President of the United States are in attendance. Since security at the Center is the sole responsibility of the National Park Service, 100 percent of these costs were so charged.

Senator BYRD. Senator Stevens?

#### WORK IN ALASKA

Senator STEVENS. Thank you. I mentioned before this mineral appraisal for the Alaska Task Force. Why is the Park Service doing those mineral appraisals?

Mr. EVERHARDT. We are not doing them, Senator, we are just providing the money. The Bureau of Mines, along with U.S. Geological Survey is carrying out the field work.

Senator STEVENS. Are you taking any additional people up there as part of the Alaska Task Force?

You have a \$1.1 million increase.

Mr. EVERHARDT. Yes, sir. Last year we found it was necessary to increase our staff in the State Office in Alaska. Part of this increase is to annualize the funding for these ten new people.

These were professional people responsible for collecting specific data on each of the proposed new areas to assist us in the inventory of the resources, and to assist in the carrying-out of some of the archeological investigation work that is being accomplished by our own people, as well as the University of Alaska.

Senator STEVENS. How many people are you putting up there?

Mr. EVERHARDT. We are not taking any additional people this year, Senator. We put about ten people up there in July and August of last year, and we are annualizing their salaries in our program for Alaska.

#### DOCK REPAIRS AT FORT JEFFERSON

Senator STEVENS. As you know, I visited Fort Jefferson this year, and I was impressed with the fact that there is some piling there

ready to replace the dock that went down in a storm, but they told us they did not have enough money in the construction allocation to put it in. Is that in this budget?

Mr. EVERHARDT. I do not know of a specific line item in this budget. I would hope that we could take care of that out of one of our cyclic maintenance programs for the Southeast Region.

I think it would be appropriate, Senator Stevens, to talk about our cyclic maintenance. We are very much encouraged by this. You will note in the budget we have for each region a cyclic maintenance item. This is sort of a zero-based program that allows the Regional Director to take care of those kinds of items on a non-reoccurring basis. Along with historic maintenance, we have a cyclic maintenance program in the Southeast Region to care for places like Fort Jefferson when there is an emergency need. It is a rotating program.

Senator STEVENS. Discretionary use of funds within a particular region, is that what you are saying?

Mr. EVERHARDT. It is not totally discretionary, but it gives them an opportunity to carry out a road re-seal program and a park camp program this year, and maybe next year use those funds in painting buildings or rehabilitation of interpretive exhibits or many projects outside of the park's own budget. These program dollars are tightly controlled by the Regional Directors to insure allocation to the highest priority project each year.

Senator STEVENS. Don't you have a special account? That was a catastrophe. A major storm wiped out the dock.

Mr. EVERHARDT. We try to take care of that, normally, out of cyclic maintenance or some type of possible reserve fund account.

Senator STEVENS. Mr. Secretary, that is a unique area. It is the most active coral area we have in the Park Service, and I would like to see us develop some sort of a plan for really learning more about that area, because of its supportive capabilities as far as the waters of the Florida Keys area.

I am very interested in what the University of Michigan now is doing down there, but I do not think those are your funds. I think those funds are coming from NOAA, but it is a most interesting program going on down there. It is limited, to a certain extent, by the lack of those dock facilities, and that is the reason I mentioned it.

Mr. REED. We owe you a report on that, Senator Stevens. I would hope that that dock can be repaired this spring. It is getting increasingly heavy usage for an island so far away from the mainland.

It is surprising, the tremendous interest that has been generated from the National Geographic articles and other articles on this site.

As you say, the reefs are unsurpassed in the United States and more and more people are going to visit.

Senator STEVENS. There were eight or ten young oceanographers conducting their own research as part of their higher education pursuits, and I think you will find a growing interest in that area because it is unique.

Mr. REED. The point is well taken.

## CONCLUSION

Senator BYRD, Secretary Reed and Director Everhardt, we are grateful for your testimony and we will supply some additional questions to which we would ask you to provide responses for the record.

[The questions and answers follow:]

## QUESTIONS SUBMITTED BY SENATOR MCGEE

*Question.* In fiscal 1976, \$1,311,000 was appropriated for reconstruction of the Golden Gate Viaduct in Yellowstone National Park. What is the status of that reconstruction effort to date?

*Answer.* We plan to award a contract in early March, 1976. However, in order to maintain traffic flow during the heavy visitor season, we do not plan to begin construction until after Labor Day. We will proceed with any work which will not require closing the road. We estimate that the viaduct will be reopened to one lane traffic by mid-June 1977 and completed by September 1, 1977.

## REHABILITATION OF GARDINER RIVER BRIDGE

*Question.* In this year's budget request there is \$1,083,000 for rehabilitation of the Gardiner River Bridge in Yellowstone Park. Please outline the present condition of that span and your plans for rehabilitation.

*Answer.* Yes Senator, the Wyoming State Highway Department made an inspection and found that the bridge is in need of immediate repair and rehabilitation to allow its continued safe use by the general motoring public. Several components are in need of repair as follows:

1. Badly deteriorated concrete deck and curbs with closed inoperative expansion joints.
2. Cracked connection angles at the junction of the longitudinal stringers and transverse floor beams over the tower piers and at the abutments. Floor beams at these locations are bent and tilted.
3. Certain stringers that have such defects as flange cuts, improperly welded bars on the flanges and open holes.
4. At various locations throughout the structure, rivets which are either missing or have improperly formed heads.
5. Mispunched splice plates at various locations.
6. Badly deteriorated concrete pedestals supporting the tower piers.
7. Improperly aligned rocker bearings.

This road is maintained year-round from Gardiner to the Northeast Entrance of the park. This is the only access for Silver Gate and Cooke City residents during the winter from about October 15 through June 1. This road is used by school buses, garbage trucks, mail deliveries, etc. In order to rehabilitate the Gardiner river bridge will require a temporary bypass road and bridge, as there is no way traffic can be maintained over such a narrow bridge during its reconstruction.

*Question.* Will the Visitors' Center in the Bighorn Canyon National Recreation Area be completed on schedule? What is the estimated completion?

*Answer.* Yes Senator, the construction is on schedule. The estimated completion date is August 9, 1976.

## TRANSPARK HIGHWAY

*Question.* As you know, the Transpark Highway question has been in the Montana Courts for some time now. What is the status of that litigation? Do you anticipate that additional highway construction funds will be needed to complete this project?

*Answer.* The court injunction was lifted in January 1976; however, appeals are expected against the decision allowing the Service to proceed. The National Park Service is advertising the 10.2 mile second segment of the Transpark Road from Devil's Canyon to Barry's Landing. New appeals could result in further postponement of any construction. Another problem is negotiations with the Crow Indian Tribe for approval to cross reservation lands which include a portion of the third segment and fourth segments. No substantial progress has occurred since last year.

We estimate an additional \$31,760,000 will be needed to complete the Transpark Road.

## YELLOWSTONE FLOATING BOAT DOCKS

*Question.* Last year there was some question as to whether the floating boat docks in Yellowstone Park would be retained. Due to my efforts, two of the four were retained. Do you intend to install and maintain the four docks at Plover Point, Eagle Bay, Wolf Point and Frank Island this year? Please outline your plans for docking facilities in Yellowstone Lake.

*Answer.* Actually Senator, three of the four docks were removed, only the Eagle Bay dock remains. The three docks at Plover Point, Wolf Point and Frank Island will be replaced when the ice melts this spring. All four docks will be retained and maintained.

## CAMPGROUND RESERVATION SYSTEM

*Question.* In fiscal 1976 the National Park Service undertook a study of the national campground reservation system. What are the findings of that study and what reservations system will be operational during this Bicentennial year?

*Answer.* We have not yet reached a final decision on the exact type or extent of campsite reservation system which should be implemented for the parks. In 1976 we will not have a nationwide campsite reservation system in operation, in the sense of our 1973 and 1974 systems. We are presently working toward that type of system, or something similar, to be operational for the 1977 camping season. In the meantime, several individual parks will be operating their own systems this summer. We anticipate that the systems utilized last year by Acadia, Grand Canyon, Platt, and Mount McKinley National Parks will probably be repeated this summer.

## PROPOSED BOUNDARY EXTENSION—GRAND TETON NATIONAL PARK

*Question.* As you may know, considerable concern has been evidenced over the proposed boundary extension of Grand Teton National Park. Specifically, this concern is about the effects on hunting and fishing on these lands presently under jurisdiction of the State of Wyoming. Has the Park Service attempted to identify which hunting and fishing uses would be affected by the boundary extension?

*Answer.* Yes. The National Park Service has asked the Wyoming Game and Fish Department for cooperation and assistance in preparing information necessary for an adequate assessment of the potential impact of the boundary study on wildlife and fishery resources.

*Question.* What assurances would the Park Service be willing to give concerning continued hunting and fishing practices in the region?

*Answer.* No major changes in existing resources management of lands being studied is envisioned by the NPS. The Service is presently evaluating management concepts that would be compatible with existing use as well as county and State management programs. Land being considered in the boundary study need not be managed as those within the existing park.

*Question.* What would be the role of the Wyoming Game and Fish Department in the administration of fish and wildlife resources in this area?

*Answer.* Programs for the administration of fish and wildlife resources will be closely coordinated between the NPS and the Wyoming Game and Fish Department. Public Law 81-787 and a Memorandum of Agreement which presently exists between the Wyoming Game and Fish and the Service establishes the framework for coordinated resource management within the existing park. We fully intend to extend this cooperative agreement and working relationship to areas being studied.

## COMPLAINTS OF HULETT, WYOMING

*Question.* Residents of Hulett, Wyoming, have expressed dissatisfaction with the Park Service map being distributed for use by visitors to the Devil's Tower National Monument. According to these complaints the community of Hulett is deleted from any mention while other communities at greater distance from the monument are indicated. Can you verify this complaint and provide samples of your interpretive services for this monument? I understand that the map in use is quite old. Are there any plans to up date this map and clearly mark Hulett? What would be the cost of such an up date of material for visitor orientation to Devil's Tower?

*Answer.* The complaint about the map is incorrect. The map contained in the folder shows only the area of the National Monument and does not extend to the region beyond. However, the town of Hulett is mentioned on the map along with three other towns in terms of distance on the highways leading from the park. The park folder and map are up-to-date, and the National Park Service is not planning any major revisions in the near future. A 1976 reprinting of the folder is now in press.

Interpretive services during the summer visitor season at Devil's Tower include daily climbing demonstrations and campfire programs every night. The visitor center, containing exhibits on the monument, is manned 12 hours per day in summer. There is a self-guiding trail with over 20 interpretive signs, and there are seven wayside interpretive exhibits on the park road and trail. In addition, Park Rangers provide informal interpretive contacts for visitors on the main trail throughout the day.

#### WYOMING PARK OPERATIONS

*Question.* In the fiscal 1977 appropriation request there is an increase of \$21 million for operations. How will this increase affect Park Service operations in Wyoming? In conjunction with this question, I understand that some 400 additional personnel will be added to the Park Service's roster this fiscal year. Since manpower planning reports are due from the NPS Regional Offices this next month, please provide a breakdown as to how this personnel increase will be utilized in Wyoming Parks.

*Answer.* Senator, there are six areas in Wyoming which we are requesting increases in fiscal 1977. These increases are for Maintenance, Interpretation, Protection, Management and Resources Preservation as follows:

Bighorn Canyon NRA	\$151,900
Devil's Tower NM	4,800
Fort Laramie NHS	33,500
Grand Teton NP	254,600
John D. Rockefeller Memorial Parkway	3,800
Yellowstone NP	982,300
Total	\$1,430,900

Out of the 400 additional personnel added to the National Park Service's roster this fiscal year, 15 will be utilized in Wyoming parks as follows:

- Bighorn Canyon National Recreation Area:
  - 1 Park Ranger, GS-9
  - 1 Park Technician, GS-5
  - 1 Maintenance Worker, WG-7
- Grand Teton National Park:
  - 1 Concessions Management Specialist, GS-12
  - 1 Mails and Files Clerk, GS-5
  - 1 Personnel Clerk, GS-5
  - 1 Museum Manager, GS-9
  - 3 Park Technicians, GS-5
  - 1 Program Assistant, GS-5
  - 1 Maintenance Worker, WG-5
  - 1 Sewer Plant Operator, WG-8
- Yellowstone National Park:
  - 1 Concessions Specialist, GS-12
  - 1 Concessions Specialist, GS-11

#### HISTORIC PRESERVATION GRANTS

*Question.* How will the 50 percent cutback in funds in fiscal 1977 for Historic Preservation Funds affect historic preservation projects in Wyoming?

*Answer.* Wyoming's matching capability for fiscal 1976 was about \$346,000 and the allocation was \$162,000. The States will not submit programs for fiscal 1977 until this summer, but they have estimated 1977 requests already. Wyoming estimates a fiscal 1977 request for \$470,000. Specific State allotments for fiscal 1977 aren't known yet. That must await the Secretary of the Interior's determination, but we assume at this point that a State's fiscal 1977 funding is likely to be about half its 1976 entitlement. Fixed costs for essential survey and planning effort will need to be maintained as much as possible, therefore, the reduction in the number of projects to acquire or restore National Register properties will be significant.

#### POLLUTION PROBLEMS AT FLAGG RANCH

*Question.* The appropriations request lists \$33.2 million for planning and construction. I understand that pollution abatement programs are included in this figure. As you know the Flagg Ranch has a serious sewage disposal problem. What amount of this figure do you intend to earmark for correction of this pollution problem?

Answer. Senator, we have not earmarked any funds for the Flagg Ranch sewage system this year. The General Management Plan for John D. Rockefeller Memorial Parkway is underway. Additional funds are needed to complete this plan and the environmental impact assessment and will be requested in the fiscal 1977 Professional Services Program. I should note that the Concessioner at Flagg Ranch has installed a new 3,000 gallon septic tank to temporarily correct some of the problems.

#### QUESTIONS SUBMITTED BY SENATOR HRUSKA

##### AGATE FOSSIL BEDS NATIONAL MONUMENT

*Question.* As you remember, we have had some discussions on the future development of the Agate Fossil Beds National Monument in Nebraska. Could you tell me how much money the Park Service has budgeted for Agate during fiscal 1977?

Answer. In fiscal 1977, the Service has budgeted \$48,200 for operation and maintenance of the area, which represents an increase of \$1,700 above the amount appropriated in fiscal 1976. We are also programming \$30,000 in advance planning funds for development concept plans and comprehensive design for the visitor center, and \$20,000 for an interpretive prospectus for the area.

*Question.* What is your capability for spending at that site?

Answer. No construction funds can be expended until the environmental assessment, now in progress, is completed and approved and the prerequisite planning is complete.

*Question.* Could you give me the status of the review your agency is currently conducting on the Agate site?

Answer. In late January, two members from the Regional Office were onsite working with the Superintendent in preparing the principal portions of an environmental assessment. The first draft of the assessment has been completed and is now under review for identification of impacts and controversy in the assessment.

*Question.* When do you think the Park Service will be ready to begin construction on the permanent facilities there?

Answer. Assuming that a negative impact is determined in the environmental assessment, we will request funds for construction drawings and specifications in fiscal 1978 and funds for constructing a new visitor center in 1979.

*Question.* For the record, can you explain to the Subcommittee the reasons for the delays in beginning work at Agate? That project has been authorized since 1965, yet there are only temporary facilities there.

Answer. Land acquisition for the area began in 1967. However, negotiations for the Cook Ranch at the western end of the monument were protracted and an agreement was not reached until January 1974. As part of the agreement, a portion of the ranch, including the main ranch house on the westside of State Highway 29, remained with the Cook family. The portion east of the highway was acquired partly in easement and partly in fee by the Government. Because not all the land was acquired as originally planned, changes were required in the park's conceptual master plan prepared in 1965. During the interim period, the Service acquired trailer facilities for employee housing and visitor use, constructed a water system for the area, installed exhibits and an audiovisual program.

Since passage of the Agate legislation, Congress enacted the Historic Preservation Act of 1966, the National Environmental Policy Act of 1969 and the Federal Water Pollution Control Act of 1972. Each of these acts have placed additional planning requirements relative to new development of park areas. Also, approximately 90 new areas have been added to the System since 1965, that will require a billion dollars to develop in accordance with the intent of Congress.

Sufficient funding has not been available to accomplish this in the desired or planned time frame.

##### PROPOSED TRAILS WEST NATIONAL HISTORICAL PARK

*Question.* On a related matter, Congresswoman Virginia Smith of the 3rd District in Nebraska has introduced a bill to establish a Trails West National Historical Park. This would authorize the Interior Department to require appropriate lands around Ash Hollow, Mud Springs, Courthouse and Jailhouse Rock, and Chimney Rock in Nebraska. The Park Service also would be authorized to administer as part of the park, Scotts Bluff National Monument in Nebraska and Fort Laramie National Historic Site in Wyoming.

If you are not familiar with that proposal, you can supply for the record your comments on its feasibility and whether the Park Service would recommend approval of this legislation.

Also I would like your comments, now or for the record, on the feasibility of adding the Agate Fossil Beds National Monument to the above. It is located near the other sites mentioned.

Answer. The Department of the Interior has not yet been requested by the House Committee on Interior and Insular Affairs, to which H.R. 11763, Representative Smith's bill on Trails West National Historical Park, has been referred. However, in anticipation of a request, the National Park Service is reviewing the provisions of the bill. We are not at this time prepared to recommend for or against the enactment of this legislation. The Agate Fossil Beds National Monument was established in order to preserve paleontological sites for display and interpretation of scientific specimens. It does not relate to the purpose of H.R. 11763, which we understand is to assist in the interpretation of the route of westernward migration through the North Platte Valley. We would therefore not suggest that the Agate Fossil Beds National Monument be included within the proposed Trails West National Historical Park.

#### SUBCOMMITTEE RECESS

Senator BYRD. The subcommittee will stand in recess until 10 o'clock tomorrow morning, when we will hear the budget estimates of the U.S. Fish and Wildlife Service.

[Whereupon, at 11:45 a.m., Wednesday, February 18, the subcommittee was recessed, to reconvene at 10 a.m., Thursday, February 19.]



**DEPARTMENT OF THE INTERIOR AND RELATED  
AGENCIES APPROPRIATIONS FOR FISCAL YEAR  
1977**

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**THURSDAY, FEBRUARY 19, 1976**

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

The subcommittee met at 10:35 a.m., in room 1114, Everett McKinley Dirksen Office Building, Hon. Ted Stevens, presiding.

Present: Senators Stevens and Bellmon.

**DEPARTMENT OF THE INTERIOR**

**U.S. FISH AND WILDLIFE SERVICE**

**STATEMENTS OF:**

**NATHANIEL P. REED, ASSISTANT SECRETARY FOR FISH AND  
WILDLIFE AND PARKS**

**LYNN A. GREENWALT, DIRECTOR, U.S. FISH AND WILDLIFE  
SERVICE**

**ACCOMPANIED BY:**

**MICHAEL J. SPEAR, ASSISTANT DIRECTOR—PLANNING AND  
BUDGET**

**HARVEY NELSON, ASSOCIATE DIRECTOR, FISH AND WILDLIFE  
MANAGEMENT**

**F. EUGENE HESTER, ASSOCIATE DIRECTOR, ENVIRONMENT  
AND RESEARCH**

**KEITH SCHREINER, ASSOCIATE DIRECTOR, FEDERAL  
ASSISTANCE**

**WILLIAM BETTENBERG, DEPUTY DIRECTOR OF BUDGET, DE-  
PARTMENT OF THE INTERIOR**

**BUDGET ESTIMATE**

Senator STEVENS. I am glad to see you back here again this morning, Mr. Secretary. This is the time scheduled for the fiscal 1977 budget estimates of the U.S. Fish and Wildlife Service. They total \$129.5 million in new budget authority, and that's a reduction of about \$13.4 million from 1976 appropriations to date. The justification has been included in Part 1 of the hearing record.

We will hear Secretary Reed's statement first and question on it briefly before going to Director Greenwalt and the details of the budget request.

PREPARED STATEMENT

Mr. Secretary, if you will identify those with you at the witness table you may proceed with a summary of your opening remarks. Your prepared statement will go into the record in full.

[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.

Of particular interest to this Subcommittee may be the continued emphasis on the expanding role of the Fish and Wildlife Service. Traditionally, the Service has emphasized fish production, refuge management, and law enforcement as the most effective methods of conserving fish and wildlife resources. These are important tools and will be continued to be emphasized. In recent years, however, external threats to fish and wildlife have been recognized in the general environment, such as water pollutants and land degradation.

To counter this, the Service has built a strong role in evaluating energy and other resource exploitation impacts on fish and wildlife values. Examples are the Service's technical assistance to the States in coastal zone management planning; participation in baseline studies and providing resource assessments in the Outer Continental Shelf leasing process; and assessing effects of coal, oil shale, and geothermal developments in the West.

The Service is a small organization in terms of budget and personnel. However, in terms of mission and responsibilities it is very diverse, complex and substantial. It is far more complex than many agencies commanding far greater resources. It manages 33.9 million acres of land; regulates and enforces the activities of 2.5 million waterfowl hunters and protects 100 million waterfowl; and produces 180 million fish and provides thereby 58 million days of fishing.

Furthermore, it examines to the extent possible 65,000 water related permit and license applications; reviews and comments on 2,100 environmental impact statements; and monitors fish and birds at 475 sites for the trends in herbicides and pesticide contamination.

It also provides direct control for 33,000 projects involving wildlife such as blackbirds and coyotes throughout the country; manages the endangered species program; provides fish and wildlife data and recommendation for 900 major land and water resource development investigations; investigates 11,000 game law violations; and last but not least, it engages in research to back up all of the above activities.

Of course, the common thread through all these activities is that the Service is the primary Federal source of expertise on fish and wildlife and their relationships to their surrounding habitat. This expertise is increasingly valued in our growing, industrialized society. The public is very aware that wildlife is more than just an esthetic or recreational resource, but is also a barometer which can and does warn us of serious problems. The Service plays an integral role in translating those warnings.

Director Greenwalt will provide you with the details of the budgetary changes. Let me just say that with minor exceptions it is a "no change" budget. There are increases to continue our efforts to improve our knowledge of the impacts on wildlife of energy development, particularly coal. Also, we are proposing to increase our capability to effectively administer the permits program. An item of particular significance is the \$1 million increase requested to "go operational" on the wetlands inventory. This is a very important undertaking.

The old inventory is very out of date and a new one based on a new, more sophisticated classification system can be of immense value to public and private decision makers throughout the country. This is representative of the role the Federal Government should be playing in natural resource protection in the future.

The budget contains a very necessary increase to aid the Department to fulfill its responsibilities under the Alaska Native Claims Settlement Act. The Congressional decisions on this matter require the utmost care and deserve the highest quality information available so that people of the State of Alaska and the country at large are well served.

There is a major increase for the operational phases of management of endangered species under the 1973 Act.

There are reductions as well, such as in the construction program and the wetlands acquisition loan advance. We reduced the construction program level because we had other higher priority needs. The Wetlands Advance Authority expires in Fiscal Year 1976, and at the time of our budget formulation, we were without such authority for Fiscal Year 1977. These reductions do not represent a lack of support for the need to complete our construction projects, or to protect our vanishing wetlands. The Congress recently enacted, and the President will probably sign, the Wetlands Loan Bill which extends the loan for seven years and increases the loan authority to \$200 million.

Mr. Chairman, I would like to address several items that were specifically mentioned in the House, Senate, and Conference reports on our Fiscal Year 1976 budget, as well as several other items of known interest.

#### Fishery Management Policy

One of the most controversial or at least misunderstood may be the proposals with respect to a new fishery management policy for the Service. We have recently had the opportunity to discuss this with the Secretary and a recommendation should be transmitted to you very shortly. This policy will reaffirm the strong Service role in anadromous (Pacific Salmon and Alaska Salmon) and Great Lakes programs (to emphasize the self-sustaining native species, principally Lake Trout and Walleyes at this time). It will also outline what we think is a unanimous view that the Service needs to strengthen its research capabilities in such areas as nutrition, genetics and environmental stress. In the inland fish program it will recommend that to the extent possible the Service should work with the States to encourage them to accept the responsibility for stocking State managed waters. Federal fish stocking would be continued for areas owned, controlled, and managed by Federal agencies; Indian and other native peoples programs; mitigation purposes on Federal water projects; coastal and international waters; and the endangered species program.

I want to emphasize, however, that the Service will take no unilateral or precipitated action which would have the effect of depriving the areas of fish they have traditionally expected. In all candor, we do not think the current pattern of stocking is correct or equitable, but we will not take any actions until the Congress approves. As the Congress directed, we will continue stocking farm ponds in our traditional manner until we can get Congressional approval to make a change.

Game Ranges

At issue at the time of the consideration of the Fiscal Year 1976 budget was the decision by former Secretary Morton to transfer management jurisdiction for the Charles Sheldon Antelope Range, Nevada; the Charles M. Russell National Wildlife Refuge, Montana; and the Kofa Game Range, Arizona; to the Bureau of Land Management. For some time these had been administered jointly by the Fish and Wildlife Service and the Bureau of Land Management.

The matter is about to be resolved by legislation which specifies that areas administered by the Secretary of the Interior for the conservation of fish and wildlife, including species that are threatened with extinction, all lands, waters and interests therein administered by the Secretary as wildlife refuges, areas for the protection and conservation of fish and wildlife that are threatened with extinction, wildlife ranges, game ranges, wildlife management areas, or waterfowl production areas are to be designated as the "National Wildlife Refuge System" and shall be administered by the Secretary through the United States Fish and Wildlife Service. With respect to refuge lands within the State of Alaska, it specifies that those programs relating to the management of resources for which any other agency of the Federal Government exercises administrative responsibility through cooperative agreement shall remain in effect, subject to the direct supervision of the United States Fish and Wildlife Service, as long as such agency agrees to exercise such responsibility.

As soon as it is resolved by the legislation, it will be a responsibility of the Fish and Wildlife Service to administer the three areas that were at issue. This management expense is not covered in the budget before you and I am advised that the additional management costs to the Fish and Wildlife Service will be approximately \$600,000.

Indian Fishing Rights -- Judge Boldt Decision

In the case of United States v. Washington (Civil No. 9213, W.D. Washington), Judge Boldt in a comprehensive decision affirmed the Indian fishing rights given to the tribes through treaties. The tribes thereby entitled to 50 percent of the anadromous fish. Judge Boldt held that the tribes are entitled to regulate the treaty fishing rights of their members without any State regulation thereof if the tribes have the ability and capability to manage the fishery. Consequently, essential information with regard to the fishery itself had to be secured so that the decision could be implemented fairly.

The Fish and Wildlife Service thereby became the honest broker in the collection and analysis of the data. In Fiscal Year 1975, \$2,040,000 was available within the Fish and Wildlife appropriation for this purpose. In Fiscal Year 1976, the amount was \$3,095,000. In Fiscal Year 1977 the budget is reduced to \$1,197,000. Included within the \$1,197,000 are the Fish and Wildlife Service coordination of studies to determine catch monitoring, run size predictions, etc. as well as a contract with the State of Washington, both of which amount to \$690,000; the program to increase salmon and steelhead production in Federal hatcheries in the State of Washington (\$150,000); and an anadromous fisheries grant to the State of Washington for fish stocking, predicting runs and monitoring fish (\$357,000).

Excluded is the program for the State of Washington to develop baseline biological data and predictive ability for fishing regulation, such as salmon indices, catch monitoring, and artificial propagation needs. For this latter part of the program, the Service's budget was used as a transfer vehicle to provide money to a State for a specific problem. As a general rule, we are of the opinion that funds for direct pass-through to a State may be more appropriately covered by specific or grant authority.

The Service provides coordination between the State of Washington's fishery department and Indian groups with the objective of devising a plan of management and research for the anadromous fisheries.

We believe the \$1,197,000 will be adequate in Fiscal Year 1977.

#### Endangered Species Grants

The endangered species grant-in-aid program has been eliminated in the Fiscal Year 1977 budget request. As you know, the Administration is opposed to the proliferation of categorical grants. This is not a question of whether the States could effectively use the funds, but rather what funding arrangements are utilized.

The authorization contained in Section 6(1) of Public Law 93-205, approved December 28, 1973, continues through June 30, 1977, and \$8 million of the \$10 million authorization remains unappropriated. However, we are of the opinion that such Federal assistance as may be required by the States can be made available to them as a part of the Federal Aid in Fish and Wildlife Restoration grants which are appropriated under different Acts popularly known as the Dingell-Johnson and Pittman Robertson Acts. It is estimated that \$90 million will become available from this source for Fiscal Year 1977, an increase of \$4 million over FY 76.

#### Lake Champlain Study

The Congress provided \$400,000 for a one-year study on the environmental impact of a proposed Canadian dam on the Richelieu River, South Quebec, Canada, and Lake Champlain of New York and Vermont. The study is progressing satisfactorily and will be completed without the need for additional funds.

#### Wildlife Refuge System

The status of the wildlife refuge system is another issue which has received considerable attention. A major event relating to the system is the recent publication of a draft environmental impact statement on the operation of the refuge system. This statement demonstrates the implications of alternative budget levels. Public hearings will be held in March to allow the Service to receive a wide variety of comments on the state and future of the system. We hope that through this process we will have a better understanding of public interest and demand for refuge activities.

Besides the basic condition of the refuge system, much of the concern for refuges has been generated by the misgivings and misunderstandings of those who perceive the Service's new program budget as a downgrading

of the importance of refuges. Director Greenwalt and I have discussed this many times and we want to assure you as vigorously as possible that it is just not true. Refuges are basic to accomplishing the Service's many missions, particularly those relating to migratory birds and endangered species. The program budget allows us to focus on the true outputs of refuges to insure that we constantly try to use our resources to achieve the most outputs in the right places at the least cost.

That is very important as the Federal budget comes under more scrutiny. The program budget is very helpful in a complex agency like the Service when tough resource allocation decisions must be made because it forces you to look at your critical responsibilities first.

#### Animal Damage Control

Finally, I want to tell you about the progress made on the Presidential initiative last fall, which the Appropriations Committee supported, to improve significantly our capabilities to control coyote depredation on sheep and cattle in our Western states. The accelerated program was initiated in September last year. In comparison with a similar period in the previous year, 24 percent more hours of control flying time were utilized resulting in a 19.5 percent increase in the number of coyotes taken.

The Western sheep industry has declined drastically in recent years, dropping from more than 20 million stock sheep in 1960, to about 12 million in 1974. The causes of this decline are many, such as increased labor costs, competition from synthetic fibers, and conversion to the usually more profitable cattle industry. We also recognize that in some instances predator losses can be significant to sheep ranchers. To offer these ranchers the maximum amount of assistance, we are continuing to refine our control methods to apply the greatest effort where it will accomplish the greatest benefit. Our accelerated control program will reach a peak this Spring and Summer and we expect to provide a level of control never before achieved and to do it in an environmentally acceptable manner.

Mr. Greenwalt and his associates will discuss the various programs in greater detail. We will be happy to respond to any questions.

## INTRODUCTION OF ASSOCIATES

Secretary REED. On my left is Director Lynn Greenwalt. On his left, Mike Spear, Harvey Nelson, Eugene Hester. On my right, Keith Schreiner.

Mr. Chairman, with your permission I would like to submit my statement for the record, and highlight it for you.

With me today is Director Greenwalt who has been in the forefront of the evolution of the Fish and Wildlife Service as it builds to cope with the energy and other resource exploitation impacts on fish and wildlife resources. Director Greenwalt has a long and distinguished career in the Service and has done exceptionally well, especially since becoming Director.

He is supported by an outstanding staff of hard working, highly motivated men and women. I am proud of them, and proud to be serving with them.

The Service is the primary Federal source of expertise on fish and wildlife and their relationship to their surrounding habitat. This expertise is increasingly valued in our growing, industrialized society. The public is very aware that wildlife is more than just an esthetic or recreational resource, but is also a barometer which can and does warn us of serious problems. The Service plays an integral role in translating those warnings.

## WETLANDS ACQUISITION LOAN BILL

In my prepared statement I refer to two items that have been the subject of recent legislative action. First, the Wetlands Loan Bill was approved by the President on February 17, 1976. We did not have this authority at the time we formulated our budget. Therefore, there is nothing in the budget to implement this new legislation.

## GAME RANGES

Second, the issue of Game Ranges was settled when the House agreed to the Senate version of this legislation and sent the Bill to the President for approval on February 17, 1976. I anticipate that the President will sign the Bill thereby conferring sole management responsibility to the Fish and Wildlife Service for the three wildlife areas previously jointly managed by the Bureau of Land Management and the Fish and Wildlife Service.

Our budget before you does not provide for this additional operational cost which Director Greenwalt tells me will amount to approximately \$600,000 a year.

Senator STEVENS. There shouldn't be any addition to the budget for that, should there?

Secretary REED. I imagine some of it is in the BLM budget, but no provisions for transfer has been made at this time, Senator.

Senator STEVENS. It is within the same department. You have the authority to transfer from bureau to bureau, don't you?

Secretary REED. The Secretary, with the consent of the Appropriations Committee may have that authority.

Senator STEVENS. We should not anticipate any increase in the budget request for that.

Secretary REED. We do not anticipate any increase. But I think it was highlighted in our statement to show both our need in bringing it to your attention and our need to bring it to the Secretary's attention.

Senator STEVENS. All right.

Secretary REED. We would expect to implement the provisions of the Act as soon as possible after Presidential signature.

#### INDIAN FISHING RIGHTS—JUDGE BOLDT DECISION

One of the reductions in the budget is for fishery management studies in conjunction with the implementation of the Judge Boldt decision on Indian fishing rights. The reduction pertains to a Congressional add-on of \$1,985,000 for the State of Washington to develop baseline biological data and predictive ability for fishery regulation, such as salmon indices, catch monitoring, and artificial propagation needs.

The Service's budget was used as a transfer vehicle to provide money to the State for a specific problem. As a general rule, we are of the opinion that funds for direct pass-through to a State may be more appropriately covered by specific or grant authority.

We believe the \$1,197,000 as proposed in the budget is adequate to handle the Service's responsibility in implementing the Judge Boldt decision.

#### WILDLIFE REFUGE SYSTEM

The status of the wildlife refuge system is another issue which has received considerable attention. A major event relating to the system is the recent publication of a draft environmental impact statement on the operation of the refuge system. The question of refuge funding was subject to successful legal challenge, requiring the Service to prepare a statement which demonstrates the implications of alternative budget levels. Public hearings will be held in March to allow the Service to receive a wide variety of comments on the state and future of the system. We hope that through this process we will have a better understanding of public interest and demand for refuge activities.

Besides the basic condition of the refuge system, much of the concern for refuges has been generated by the misgivings and misunderstandings of those who perceive the Service's new program budget as a downgrading of the importance of refuges. Director Greenwalt and I have discussed this many times and we want to assure you as vigorously as possible that it is just not true. Refuges are basic to accomplishing the Service's many missions, particularly those relating to migratory birds and endangered species. The program budget allows us to focus on the true outputs of refuges to insure that we constantly try to use our resources to achieve the most outputs in the right places at the least cost.

This is very important as the Federal budget comes under more and more scrutiny. The program budget is very helpful in a complex agency like the Service when tough resource allocation decisions must be made because it forces you to look at our critical responsibilities first.

## ANIMAL DAMAGE CONTROL

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The accelerated program was initiated in September last year. In comparison with a similar period in the previous year, 24 percent more hours of control flying time were utilized resulting in a 19.5 percent increase in the number of coyotes taken.

The Western sheep industry has declined drastically in recent years, dropping from more than 20 million stock sheep in 1960, to about 12 million in 1974. The causes of this decline are many, such as increased labor costs, competition from synthetic fibers, and conversion to the usually more profitable cattle industry. We also recognize that in some instances, predator losses can be significant to sheep ranchers. To offer these ranchers the maximum amount of assistance, we are continuing to refine our control methods to apply the greatest effort where it will accomplish the greatest benefit.

Our accelerated control program will reach a peak this spring and summer and we expect to provide a level of control never before achieved and to do it in an environmentally acceptable manner.

Mr. Chairman, this completes my brief highlight statement. Mr. Greenwalt and his associates will discuss the various programs and budget items in greater detail. We will be happy to respond to all your questions.

Senator STEVENS. Thank you, Mr. Secretary. I have several questions for you.

Senator Bellmon is here. He is from the Budget Committee, and has to return to his other activities.

Would you like to ask some questions, Senator Bellmon?

## WETLANDS ACQUISITION

Senator BELLMON. Thank you. I appreciate your letting me appear out of order.

Mr. Greenwalt, I appreciate you have made your statement and perhaps you covered some of these matters in your formal statement—but let me ask the questions, and if you covered them earlier, we will pass over them.

Can you tell the committee how much revenue will be generated in fiscal 1977 through the sale of duck stamps, in your best estimates?

Mr. GREENWALT. We think about \$12 million.

Senator BELLMON. Twelve million?

Mr. GREENWALT. Yes.

Senator BELLMON. Will this amount of revenue enable the Service to acquire the wetlands and other properties essential to the water fowl at a desirable rate?

Mr. GREENWALT. The degree of funding, Senator, of course will dictate how rapidly we can proceed with this. Our estimates, based on a very comprehensive study conducted last year, indicates that in order to preserve wetlands at the rate they must be preserved to assure the perpetuation of the resource at desirable levels requires a much greater acceleration of effort.

That is to say, we must have the opportunity to acquire critical habitats at a much greater rate than we ever have in the past.

Senator BELLMON. So \$12 million is not enough money, to be brief?

Mr. GREENWALT. It is inadequate to keep the pace we think is appropriate to the need.

#### NEEDED ACQUISITION FUNDING LEVEL

Senator BELLMON. What would be the sum that you feel would be appropriate to acquire these lands at the desired rate?

Mr. GREENWALT. In order to proceed at a desirable rate, we should work with a funding base of approximately \$25 million a year.

Secretary REED. We were close, Senator Bellmon. Due to your assistance we had budget authority of \$13.7 million in 1974, \$12.1 million in 1975 and \$19.5 million in 1976, if you remember, when you struck a mighty blow on this subject with the OMB. And we are apparently slipping in this budget to about \$12 million.

Senator BELLMON. The proper figure is 25, and it is 12 million in this budget. That means we are \$13 million short.

Mr. GREENWALT. That is correct.

Senator BELLMON. To get to the heart of it, the real problem is as long as we delay in these purchases the more the land costs. Is that generally correct?

Mr. GREENWALT. That is correct, sir.

Senator BELLMON. Do you have any estimates as to how fast these land values are going up?

Mr. GREENWALT. We have those, sir. The price escalation has accelerated in recent years. At the moment it has declined somewhat, but has been on the order of about 16 percent per year over the last decade. In some specific instances, obviously, it has gone at a much higher rate than that.

Senator BELLMON. I am sure Secretary Reed would agree that sometimes when we meet to talk about these increases in the land values we are astounded how fast this land has appreciated.

Secretary REED. We are. And, particularly as the Senator well remembers, we were struck by the recent condemnation cases that we were involved in in New Jersey and other wetland areas where we thought we could hold a decent price and the courts did not agree with us. The price of wheat, of course, has a great deal to do with the price of land in the famous wetlands area of North Dakota.

We only have a small part of the very important pothole country in the Lower 48. The Water Bank Program of Agriculture and the migratory waterfowl production areas are the only two vehicles we have for protecting these tremendous production areas in this country.

The case that I make, and have lost—which all of you know because you can see my budget—I do not think it is fair for the duck hunter to support entirely the purchase of wetlands in the United States. Off the wetlands come thousands, hundreds of thousands of other birds, millions of other birds of every species. And at the moment, the duck hunters are expected to pay the entire tab. I think that is unfair.

Senator BELLMON. Mr. Secretary, also some of the refuges serve as recreation resources for nonhunters. I think of the one up near Atlantic City, New Jersey, which attracts large numbers of visitors and tourists every year.

Do you have any figures in mind as how much traffic the refuges receive from nonhunters?

#### REFUGE VISITATION

Mr. GREENWALT. It is well in excess of 21-22 million visitors annually, Senator. This is, in my judgment, a conservative estimate inasmuch as the hunting population as compared to the total array of visitors that come to the refuge is a very minor part.

The visitation use of refuges has increased steadily over the years and presently is in the range, all uses considered, of about 24 million annually.

Senator BELLMON. And for this what contribution does the Federal government make through the appropriations?

Mr. GREENWALT. The operation of refuges is funded entirely through appropriations. In terms of the acquisition of land, many units of the refuge system are acquired land, that acquisition being funded fundamentally through the purchase of duck stamps.

#### INCREASED ACQUISITION FUNDS

Senator BELLMON. So the other \$13 million you are suggesting here would go to supplement the duck stamp money to buy additional lands?

Mr. GREENWALT. Yes, sir.

Senator BELLMON. In view of what you have said and considering the recent authorization bill for wetlands acquisition which authorizes \$15 million for the coming year to purchase these lands, do you feel you could use \$15 million? You mentioned 13.

Mr. GREENWALT. I spoke of 13 as a general figure. Yes, sir, \$15 million would not be out of line. I might say, Mr. Bellmon, that as we get beyond that level of funding it requires additional ceilings—personnel—which become another problem.

Senator BELLMON. But you can handle a budget of 25 to 27 million with your present staff?

Mr. GREENWALT. Yes, sir.

Senator BELLMON. One last question. Now that the wetlands bill has been signed, could you support a budget amendment for these additional dollars?

Secretary REED. I don't think there would be any approval of a budget amendment within the Administration as I understand OMB Director Lynn's recent discussions with the Secretary.

Senator BELLMON. This is what is curious to me. Since the Office of Management and Budget is making a problem downtown, no matter what the Department seems to want we wind up getting only the OMB opinion.

I appreciate your response to these questions because it does give us some insights into what the real problem is.

Thank you, Mr. Chairman.

Senator STEVENS. Thank you, Senator. I would be happy to have you buy more wetlands down there because we have about two-thirds of those refuges already in our State. We will have seven-eighths of them soon, it appears. If you buy one-for-one down South, it would be all right with us.

Senator BELLMON. Mr. Chairman, the Alaska ducks and geese do not come to the coast of the United States, so we have to look at the whole country.

Senator STEVENS. Is that right, Mr. Greenwalt?

#### WATERFOWL MIGRATION PATTERNS

Secretary REED. They go to all four flyways. It is a very interesting biological factor. Because of the years of drought in the pothole country, which are cyclical in southern Canada and the northern U.S. States, there is this tremendous over-flight made into Alaska to the two great breeding areas which are the Yukon and the Yukon Flats. They take up the slack and produce the birds for our four flyways.

And the pattern of flight out of those two breeding areas—I would love to send you a copy. We have just done a marvelous overlay on how they actually get all the way from Alaska to the East Coast. It is the most fascinating thing you ever laid eyes on, to be able to change a pattern. Just think of it for a moment. Bred in North Dakota for several years and then pick up and move to Alaska in a drought year and find your way back down again. That is a fantastic instinctive ability.

Senator BELLMON. Is that normal to the ducks and geese that are produced in Alaska? Is it normal to come to the East?

Secretary REED. A certain percentage of them do, and it is magnified in drought years.

Senator BELLMON. Then do we need these other areas?

Secretary REED. Yes. Because the pothole country in a normal year will out-produce Alaska by a significant magnitude, simply because it is warmer. They can get started earlier and they are more productive.

But the importance of Alaska—and the Senator has been a great supporter of the Alaska refuge system—is that it picks up the entire slack when the potholes go dry. It doesn't pick up all, but it picks up a significant factor.

Senator STEVENS. We are fortunate those Oklahoma people don't shoot very straight anyway. They come back every year.

Senator BELLMON. Mr. Chairman, you must have been duck hunting in Oklahoma. Oklahoma is good for other things. We have another bird that we prefer. It is called a bobwhite quail.

Thank you very much.

#### CONDITION OF REFUGE SYSTEM

Senator STEVENS. Thank you very much, Senator.

What is the current condition in these wildlife refuge areas, Mr. Secretary? Are you satisfied that these units are being properly managed and maintained with this level of funding?

Secretary REED. No, Senator, I am not. There is no question in my mind that we are going to have to go to a different level of funding for refuge management. The very difficult decisions we have made in the past 5 years of increasing the Service's biological services program, enforcement, and management. These have not been done at the expense of the refuge system. But working within the very strict overall financial figures that we receive, the problems that the refuge system had 5 years ago have magnified during the past 5 years.

I have received a number of promises that we were going to move to a different level of funding and they have not been able to be kept. First, because of the energy crisis in 1974-75 which required the investment of money in other areas in the Department of the Interior. And then, second, we ran into this very serious budgetary problem in fiscal year 1977 budget, the one that is before you.

Congress on its own initiatives—this Appropriations Committee on its own initiative added \$2.5 million for wildlife refuge operations which probably got us out of the emergency condition last year.

Senator STEVENS. We don't see it as any evidence of any expansion in terms of any additional positions or any additional effort. That \$2.5 million seems to have been absorbed. What did you do with that money?

Secretary REED. It went into the very key maintenance areas, and refuges, roads that were deteriorating, dikes that were breaking, bridges that were falling down, pumps that had to be replaced. Much of the 33 million acres require no active management. In fact, it requires just being kept, being managed for itself. But some of the refuges require diking, road access, farming, fencing; and a whole variety of different subjects.

The deferred maintenance—it has been deferred and deferred and deferred—it is now catching up with us. We were sued by the Sierra Club, over the budgetary formulation for the refuge system, and the court ruled that the Fish and Wildlife Service will have to hold public meetings on various levels of financing for the refuge system, which we will begin in March of this year, and bring those results back to the Congress.

Now, of course, it will go on during—the results of our analysis may not be completed until this appropriations session is over. But I think it is fair to say that it is one area where we recognize the need. Secretary Morton was aware of it. Secretary Hathaway was aware of it in his short time here. We are going to have to give greater attention to it.

We just ran into a year where money was very, very tight, and that seemingly has happened for 4 or 5 consecutive years.

#### PERSONNEL CEILINGS

Senator STEVENS. We specifically included in our 1976 report directions concerning personnel needs. We referred to the Fish and Wildlife Service as well as the Park Service. Do you think the Department and the Administration really honored that directive?

Secretary REED. The OMB allowed—took the present initiative, and the President gave a 400 man increase to the National Park Service.

The basic fact of the matter is the Fish and Wildlife Service got a small reduction.

Senator STEVENS. Why was the Fish and Wildlife Service ignored when we specifically requested that?

Secretary REED. They took the departmental ceiling and added the 400 National Park Service personnel, and then did a cut across the board to accommodate critical personnel needs in the Department.

#### NEW PROGRAMS

Senator STEVENS. You have increases for biological services and research and planning which are commendable, but are they being brought about at the expense of the traditional management responsibilities of the Fish and Wildlife Service?

Secretary REED. No, sir. I don't think so—that is the hardest one in the world to make the case on.

The director was the head of refuges, and I have been a refuge man all of my life. They just have not grown at the speed in which the tremendous interest in biological services and river basins has grown. And inflation and deferred maintenance has caught up with us.

They need to go—I think OMB would agree if they were testifying before you—they would agree that refuges need to go to a new level of financing. They were not able to accommodate that level in this year's budget formulation. They made this clear to us.

#### ENDANGERED SPECIES

Senator STEVENS. We also have mounting criticism about the endangered species program. Yet, the request is down from 1976. How can we justify that?

Secretary REED. It is down on grants, and up in internal management. The question of the grant-in-aid to the individual States is a very sticky one, especially when we had it in our appropriation last year to implement the grant-in-aid. I pointed out during the budget preparation to the Secretary, not OMB, the variance of having it in the appropriation and taking it out the next year. That was the way it came out.

#### ALASKA WOLF PROGRAM

Senator STEVENS. Last year we talked a little bit about the wolf program in Alaska. I understood the Department had reviewed that program and found that there was no difficulty. I was quite surprised that research money had been withheld.

What was that—Pittman-Robertson?

Secretary REED. Yes. Pittman-Robertson, that is a pass-through fund.

Senator STEVENS. It was not withheld?

Secretary REED. No; it is not withheld. It is deferred pending an environmental impact statement.

Senator STEVENS. Have you ever withheld money from that fund before? I thought it was automatic grant entitlement.

Secretary REED. No; it is not an automatic grant. We have not withheld or suspended payment in the past. But we have not knowingly funded a grant program which either had a significant impact on

a population—which the Alaska program does not because it affects only 2 percent of the total population of wolves in Alaska—or, where under the National Environmental Policy Act, there is a major controversy attached to it. There is a tremendous amount of controversy over the killing of wolves on public land.

Senator STEVENS. I think you have left us in a rather strange position, Mr. Secretary. Congressman Yates, who has been a very good friend of Alaska and a personal friend of mine, called me about that program, the wolf program, and I remembered I had asked the question and I got out the answer that you had made and read it to him.

And, he called me back 2 days later and said, "That is all right, but I understand they have suspended the Federal funding for the program. If you are so sure, how come the funds have been suspended?"

Maybe not within 2 days, but we had two conversations on it. I wondered what caused the second thought as far as the Interior is concerned about that program?

Secretary REED. Until the Thursday or Friday of that week, neither the Director nor I were aware that Federal funds were being used in the actual killing of wolves in Alaska. We knew that funds were being used on a research effort on a three area Alaska moose herd experiment.

Senator STEVENS. I am informed the funds were going in and they go into our State treasury.

Secretary REED. Game and Fish.

Senator STEVENS. They appropriate back out by State legislative actions, but there is no direct pass-through of those funds. You cannot identify them.

Secretary REED. Yes, sir, we could.

Senator STEVENS. You could identify them in terms of which ones they are?

Secretary REED. Yes. Some of them were a little bit less than \$11,000 that were being used as a specific amount on the killing, the actual killing of the wolf. And only that part of the Federal fund was withheld pending resolution of the EIS question.

Senator STEVENS. You are aware that the matter had been to court?

Secretary REED. The matter had not been to court.

Senator STEVENS. In a previous year?

Secretary REED. In a previous year and no agreement had been reached with Alaska over the actual killing of wolves with Federal funds. That is where neither one of us—a mistake was made in the Portland office, in the Fish and Wildlife Service, of signing off too quickly on the grant. And I think a mistake was made—in respect to everyone by the Service initially allowing Alaska to use the Federal money for the actual wolf killing.

#### CORRESPONDENCE WITH ALASKAN GOVERNOR

I think it would have been—in my letter to Governor Hammond, which I need to get a copy to you and probably insert in the record at this point, I point out that although the program will have limited impact on the total number of wolves, and in fact will not have any impact on the status of the wolves in Alaska.

The area of controversy under NEPA is of genuine concern, and I am confident legally that we cannot give the money. And also I am confident legally that we would have been enjoined by a court of law.

Senator STEVENS. We will include that letter in the record at this point.

[The letter follows:]

## United States Department of the Interior

OFFICE OF THE SECRETARY  
WASHINGTON, D.C. 20240In Reply Refer To:  
FWS/FA  
SS - 11199

FEB 18 1976

Dear Governor Hammond:

This responds to your January 29 letter concerning actions taken by the Fish and Wildlife Service to suspend Pittman-Robertson participation in Alaska's Study XIV B-14.10 under Project W-17-8, pending compliance with the National Environmental Policy Act (NEPA).

The Department of the Interior has a high regard for the Alaska Department of Fish and Game, and for the ability of its personnel. The State is to be congratulated on the steps it has taken on behalf of wildlife.

The study in question was recently brought to our attention, subsequent to an approval for funding by the Alaska Area Office. The critical issue, so far as we were concerned, was not one of the validity of the proposed research in Unit 13. In fact, based upon recent information (transmitted from our Alaska Area Office on January 21, 1976) prepared by the Department of Fish and Game, we agree that the proposed removal of wolves in this unit may be justifiable, and will have only a minimal impact on the State's total wolf population. The proposed removal of wolves, however, presents a highly charged emotional issue. It involves several groups, all sincere and with a legal right to be heard. As these groups made their opposition known, it became apparent that there was a high likelihood of legal action to delay or stop the proposal. The level of controversiality became ample to justify our requiring the preparation of a formal analysis of the expected impact.

Since, at the time of project approval, it appeared to the proponents and regional reviewers that a significant environmental impact (as addressed by NEPA) would not result, no such analysis had previously been required. However, the criterion of controversy (addressed in the Council on Environmental Quality guidelines--copy enclosed, and controversial provision marked) was clearly present at the time of our recent review, and was sufficient to justify the action taken. Further, in line with regular procedures under Federal aid, we requested the State to furnish a detailed description of the research planned, in order that it could be examined and evaluated in greater depth. This has not yet been received.

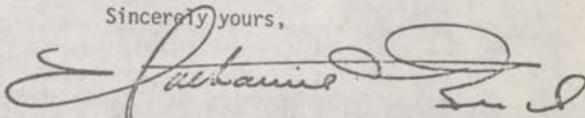
The Fish and Wildlife Service has the principal responsibility for protecting fish and wildlife resources. To assure that these resources receive the consideration afforded by law, we often must urge other Federal agencies to consider more thoroughly the environmental consequences of their actions, and to analyze the effects upon our resources in an impact statement. It is vitally important that the Service and the programs it funds comply with the requirements of NEPA.

These were the considerations upon which our action was based. We believe that our requirement of an analysis of expected impacts fulfills the spirit of NEPA and, ultimately, will work to the advantage of all parties concerned, including wildlife resources.

I wish to reemphasize my desire to work with all of the State game and fish organizations toward the goal of wise management. It is not my intention, or that of the Director of the Service, to assume control over resident game species. If, however, Federal aid is to be used for projects which are covered under NEPA, then compliance with the act will be required.

I hope this adequately explains our position on this matter. If we may be of further assistance, please contact us.

Sincerely yours,



Secretary of the Interior

Honorable Jay S. Hammond  
Governor of Alaska  
Juneau, Alaska 99801

STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

January 29, 1976

The Honorable Thomas S. Kleppe  
Secretary of the Interior  
Interior Building, Room 5150  
C & 19th Streets  
Washington, D.C. 20240

Dear Mr. Secretary:

The director of the U.S. Fish and Wildlife Service has restricted expenditures of federal aid in wildlife restoration (P-R) funds for use on a wolf research project, citing the reason that: "There may be a question of compliance with the National Environmental Policy Act." He further stated: "If you elect to have the secretary consider rescission of the suspension, you may, in accordance with Section 102 (2) (D) of NEPA, prepare and submit to this office for review information and data necessary for compliance with NEPA, along with full and complete details on the total predator-prey relationship study as it is currently planned." If the Service believes that this study should not be implemented until NEPA requirements have been satisfied, it seems to me that Alaska might have been notified of this fact before the project was approved. Even now, we have received only telephone and telegram notification of the Service's action to withhold funding without an explanation of why approval of the project involved NEPA.

The research project in question was several years in the design and planning stages and then was submitted to the U.S. Fish and Wildlife Service. That agency reviewed and approved the project nearly seven months ago without reference to NEPA. We expected such approval to be routine in that the project was substantial and that Interior's own wolf control activities in the state were carried forward without, as far as I can learn, either a negative declaration or an EIS. Having witnessed Interior's wolf control activities in Alaska involving aerial shooting during the years 1969 through 1972 and again in 1975, it does not now appear that your agency is carrying out its responsibilities in an evenhanded manner. Really the only new element that has been introduced since approval of the project last July 1 is that of controversy. We understand that controversy in itself may be sufficient to invoke NEPA but we question that such action can or should be retroactive. It might even be argued that the only significant federal action that would require compliance with NEPA is the unilateral breaking by the Service of a valid contract between the state and federal government.

The question of what constitutes sufficient controversy to justify invoking NEPA can only be dealt with subjectively. In the present instance it is perfectly clear that a deliberate effort has been made by a national television show and several non-use or protectionist groups to arouse public sentiment against the killing of wolves. The information disseminated has been deliberately distorted and slanted to imply that the State of Alaska was almost wantonly destroying the wolf over vast areas. We feel that the hasty and uncritical response to this well orchestrated emotional outpouring from non-use organizations does not constitute responsible resource administration. If we are to manage our wildlife resources on the basis of fact rather than blind emotionalism, it

behooves government at all levels to cooperatively support sound research programs. Furthermore, the action of the Service certainly undermines the desirable goal of wholesome cooperation between the states and the federal government in resource matters. Can any state now plan an orderly but controversial program for management of its wildlife resources with any dependence upon those funds dedicated to the states by the Pittman-Robertson Act? I think not unless we can find some mutually acceptable resolution to the difficulties created by the Service's recent decision.

Perhaps it would be of interest and benefit to you if I briefly reviewed the history of wolf management in Alaska during the past two decades. Prior to statehood in 1959 management procedures of the Department of Interior were designed to suppress or eliminate wolves from important game ranges. There was a \$50 bounty on them paid by the territory. The federal government had an extensive predator control program to reduce their numbers by the use of poisons, aerial hunting, continuous open hunting and trapping seasons with no bag limits. With inception of state control over the wolf, consistent and progressive efforts were made to elevate its status. Formal predator control activities were eliminated, use of poisons was outlawed, closed seasons and bag limits were established and bounties were discontinued in 23 of 26 game management units. Finally in 1972 aerial sport hunting for wolves was halted.

Wolf populations reached historic highs over much of the state by the early 1970's as a result of this form of management. At the same time, however, abundant populations of moose and caribou in some portions of the state began to decline sharply primarily as a result of severe winters and deteriorated ranges resulting from overstocking during the 1950's and 60's. In a few instances increased hunting pressure and predation were contributing factors. Reasons for these declines differed from area to area but regardless of cause, some declined to low enough levels that predation by wolves is causing continued declines or preventing recovery toward former levels.

Early in 1975 the Alaska Department of Fish and Game proposed a control program designed to reduce wolf numbers in one of these areas, Game Management Unit 20A. Here, the history of the moose and wolf populations was well documented. Substantive data on the area's moose herds, its vegetation and its wolf population indicated strongly that predation on moose (particularly calves) had forced the population to a level far below the unit's carrying capacity. This moose population numbered 10-12,000 animals as recently as 1965. Following a very severe 1965-66 winter the population had been reduced almost 50 percent, numbering 5,000 to 6,000 moose. The winter of 1966-67 was also severe and by summer 1967 the population was estimated to contain 4,000 to 6,000 moose. A series of moderate winters through 1970 allowed the herd to increase substantially but another very severe winter in 1970-71 caused major reductions in moose numbers. Subsequent winters have been mild and harvests since 1973 have been held at a low level (about 400 in 1974, less than 50 in 1975). At present this population is estimated to contain about 3,000 moose, only one-third to one-quarter of the numbers present 10 years ago. Recruitment is essentially nil as the 90-100 calves born to every 100 adult females are being lost to predators largely within the first 6 months of life.

Wolf harvests in Unit 20A approximated 80 to 100 animals per year up until 1972 when aerial hunting was discontinued. Since 1972 harvests have declined to 35-50 annually. Intensive aerial surveys conducted in 1974 and 1975 indicate that the wolf population in this area approximates 200 animals.

Calculations of the amount of food required to sustain these wolves, studies of wolf food habits and field studies of moose (determinations of pregnancy rates

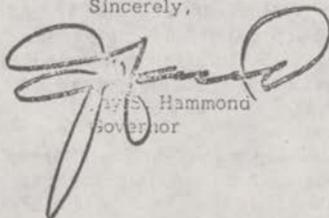
of cows in April, counts of numbers of calves produced and assessments of calf survival to fall) all indicate that wolf predation upon moose (particularly calves during their first 6 months of life) is taking this moose herd to new low levels. It was expected, therefore, that a reduction in wolf numbers would allow a substantial increase in the Unit 20A moose herd and ultimately improve the food base for wolves as well as allowing for harvest of moose by humans. Environmentalists successfully blocked this wolf control program in 1975 when they won a preliminary injunction based on a legal technicality. It is significant that this program, viewed as a threat to the future welfare of the wolf as a species, would have impacted an area of less than 7,000 square miles or only slightly more than one percent of the wolf's range in Alaska. The approximately 100 wolves which would have been removed represent no more than one percent of Alaska's total wolf population.

Concurrent with its progressive wolf management programs initiated at statehood, the Department of Fish and Game has maintained an extensive wolf research program designed to provide an information base for wolf management. The research study which the Department of the Interior chose to scuttle by involving NEPA was designed to quantitatively assess the effects of wolf predation upon moose in the Nelchina Basin (Game Management Unit 13). Freed from predation as a result of wolf control efforts by the federal government in the 1950's the moose population in Unit 13 peaked in the mid to late 1960's. Because of the type of hunting allowed (essentially bulls only) harvests had no impact upon this herd. During the severe winter of 1970-71, however, this moose population declined precipitously. It has failed to respond to successive mild winters since that time. Our data indicate conclusively that moose calves are being born but are not surviving through their first summer.

Wolf studies in this area include assessment of home range (territory) size, assessment of total populations and analysis of summer food habits. All of these studies suggest, as in Unit 20A, that wolf predation is effectively maintaining this moose population at a low level. Nevertheless, because of concern that perhaps the carrying capacity of this area for moose has been greatly decreased or perhaps grizzly bear predation on calves were major factors, the Department of Fish and Game initiated intensive studies in 1975 aimed at determination of the impact of wolf predation on moose in this area.

For the U.S. Fish and Wildlife Service to withhold P-R funds originally approved for this wolf research program is to suggest that wildlife management be returned to the arena of emotion and politics. I personally find such an action to be retrogressive and fully expect that governors and wildlife officials in other states will be similarly distressed by these precedent setting actions. In this matter, I hope that you can impose improved standards of decision-making within your department.

Sincerely,



David Hammond  
Governor

## POLICY BEHIND WITHHOLDING FUNDS

Senator STEVENS. I am worried about the present situation. Are you saying that the State money under Pittman-Robertson is going to have to be subject to an environmental impact statement before you pass the money over to the State?

Secretary REED. I certainly hope not. I think what has come out of this—and I sent a copy of the letter to Governor Hammond to the 50 State directors—I hope that as they go over their Pittman-Robertson and Dingle-Johnson Federal aid requests, they would use prudence and thereby would serve all of us if they would avoid requesting Federal aid money for projects which are highly controversial.

I can think of about only three. As a matter of fact, we sat down and tried to think of where can we get into trouble in this regard. We can get in trouble in Montana if we decide to kill grizzly bears for any reason. I think we can get in trouble in southwest Arizona or New Mexico or California if we got into a big mountain lion experiment. Hawks and eagles are covered by Federal law, so there is no problem there.

It is basically about three different animals: wolves, grizzly bears, and cougars.

Senator STEVENS. Have you hoisted yourself by your own petaró? It is still Federal land. What is the difference whether it is a money problem or not?

Secretary REED. I want to get away from the Federal land issue.

Senator STEVENS. The NEPA question is involved whether it is land or money, isn't it?

Secretary REED. I would stubbornly insist that the Federal Government is not interested—and I put this in the letter to Hammond—it is not interested in managing game on Federal land. The public lands in the United States, the relationship of the State game and fish departments, has been the essence since the 1920s, since the Leopold era of good management in this country.

Senator STEVENS. We thought we had straightened this out with the last coordination act amendments, and that was why I was surprised about this money.

But tell me this: if this is sufficient to require holding back on the monies—with which I don't agree, because from my memory I don't think you have any discretion on these monies in terms of their commitment once you have approved the plan—but in any event, why don't we get some Federal money and tranquilize those wolves, and take them out someplace where people want them?

Secretary REED. Transfer of wolves has been—it is a delusion, Senator. It does not work. It is very complicated and it does not work.

The basic three packs of wolves in those areas of Alaska are in good shape, and can biologically accept a reduction. Even though it is very controversial, biologically they can accept a reduction.

## WOLF REDUCTION ALTERNATIVES

Senator STEVENS. We don't want to kill them. We just want to reduce their numbers in comparison to other wildlife. We would be happy to ship them out somewhere. Can't you ship them to zoos?

Or ship them to California? They seem to have such a great interest in our wolves, why don't you ship them down there and put them in the Sierra?

Secretary REED. Easy to say and hard to do. When the basic fact of the matter comes up of people accepting wolves, they have a very hard time accepting them.

Senator STEVENS. I understand that our legislature, as a matter of fact, put up \$2,000 to pay the transportation to take them anywhere that people want them.

Secretary REED. I think you will find very few takers.

Senator STEVENS. I think that highlights our problem. I have got some rather disturbing pictures of those caribou being eaten standing up, and it is just a terrible thing that is going on with regard to the other wildlife.

How are we going to get any balance? I don't think our fish and game people up our way are at all reticent about taking any actions to preserve the wildlife. As a matter of fact, I think we are the one State that is absolutely strong in terms of management concepts and putting hunting last.

I think a lot of people are very, very discouraged right now in terms of a program that I touched all bases on, and now Alaska gets another black eye because of the impact. You are withholding that money, that implies—you have seen the papers and the magazines all over the country—that implies that we were wrong—that our fish and game people were wrong and that our biologists were wrong. And they were right, as a matter of fact. I think you would agree they were right.

Whether it is a sensitive question is another matter, but they were right in what they planned to do. Now we have nothing to do with those wolves, unless someone will take them. Have you really tried to see if any other game management people want them?

Secretary REED. We moved the wolves from Minnesota to Michigan a couple of years ago, and it is a very difficult thing to actually move them. It is very complicated. They are big animals. They are very difficult to tranquilize. They are very difficult to hold in captivity to move. They are very territorial.

Senator STEVENS. That is what they told us about the buffalo, and we still moved them. We can move buffalo, we ought to be able to move wolves.

Secretary REED. Muskox and buffalo are a lot easier to move, Senator, I promise you. If there is a need to salvage a moose herd which is in trouble for a variety of reasons, hard winters, over hunting, whatever—

#### MOOSE POPULATION STATISTICS

Senator STEVENS. There is no over hunting now. That is one thing that is very clear. I wish someone would get that out to the public. That is a calf failure, and we don't hunt calves. There is no hunting for anything until it is identifiable by genre. That is a calf problem. That means in their first year they have been attacked, and there is only one predator that we know of that kills calves in the first year and that is the wolf.

So people are saying it is man over hunting. There is no over hunting. As a matter of fact, the calf-to-cow ratio is down alarmingly. We don't think they can survive. I am sure if you look at these statistics, our sportsmen stopped hunting them up there.

#### CONTROVERSIALITY

Secretary REED. I have looked at the statistics. I have looked at the cow-to-calf ratio. I have looked at the explanation of why the depredation program, the control program has been undertaken by the Alaska Game and Fish. I have seen—

Governor Hammond was at one time a gunner for the Fish and Wildlife Service who shot a good many wolves. That type of control program was done in the past. We have a long, long historical record of what you can do through the manipulation of the number of wolves.

The 1969 National Environmental Policy Act, however, adds on that controversial issue standpoint as a further test, which I think we are bound to. I think it is insurmountable.

Senator STEVENS. What is the added test?

Secretary REED. On controversiality. I think that the State can—

Senator STEVENS. It was a significant Federal decision about distributing Pittman-Robertson.

Secretary REED. Or a highly controversial issue. The act goes on—

Senator STEVENS. What is highly controversial about 2 percent of the wolves? The program has been reviewed by the courts.

Secretary REED. Senator, for a great many people in this country they find that they don't want to kill wolves on public lands.

#### PREDATOR-PREY BALANCE

Senator STEVENS. Then it ought to be highly controversial that they are destroying about 20 percent of the moose by not taking the action. We can prolong this. I'm going to stop it, but the precipitous action, you are taking—that action challenging the fish and game people and holding up that money—put the stamp of approval on those people who said that that action was wrong.

You left our fish and game people, and all of their history of protection of the wolves, in the lurch. And they have a good history of protection of the wolves. In fact, it is much better than it used to be in territorial days. Some of these people were in the Fish and Wildlife Service in territorial days. They can tell you what we used to do to wolves in those days when the Federal Government managed it. We had a bounty on them, as a matter of fact, and we had a poison program.

Secretary REED. Yes.

Senator STEVENS. We have stopped all that as a State. We get no credit for that. Suddenly we get a black eye because we have a good management program to reduce the number of wolves and protect the moose.

I think those people up there are legitimately concerned about Federal-State relations. I want to find some way that will not happen again, particularly when they asked me and I did ask you last year, and you found no problem with it.

That is the thing that really got us in trouble. We were led to believe that that program had been reviewed, I think you said by an eminent scientist. I forget his name.

Secretary REED. I think both Dr. Allen and Dr. Mech have examined the program, and Bob Weedon from Alaska has examined it with great care.

Senator STEVENS. Yes. He recommended it.

Secretary REED. If you want to bring the moose herd back quickly, that is a method of doing it.

Senator STEVENS. The question, as I understand it, is whether it is going to survive, not whether it is going to come back.

Secretary REED. The age level of the calves is of mutual concern to everyone who is interested in the well-being of those animals. They have a very, very high average age, unusually high average age.

#### HATCHERY TRANSFERS

Senator STEVENS. I will get off of that, and get on to these hatchery problems, Mr. Secretary. They are going to shift some of the hatchery operation burdens to the State. That is a real political problem for us up here, I am sure you realize.

Secretary REED. Yes, sir.

Senator STEVENS. What is the situation with the hatcheries? Which ones are you going to propose to switch over? Are you really saying that the Federal Government is going to get out of the hatchery business?

Secretary REED. No.

Senator STEVENS. How are we going to determine whether it is proper to be in it, and whether or not to be in it?

Secretary REED. The Secretary has just received a briefing by the director and his senior staff on a major study of what the Federal Government's involvement in hatcheries should and should not be. The Secretary will soon send a letter to the appropriations committees and to the legislative committees expressing his views and recommendations.

We recognize the very difficult political decisions involved. However, in the warm water southern farm program in years of fiscal restraint, it would appear to us that that program established under the old farm program which goes back to about 1931, 1932, and 1933, could be replaced by legitimate private enterprise. The production of Federal hatcheries is going in private waters, partly held private waters.

The most inexpensive portion of a farm pond for you or myself, if we were farmers in the South, is the acquisition of a plastic bag full of fish. One of the recommendations will probably be to terminate that program of Federal assistance.

The other recommendations are the strong Federal involvement in anadromous fish, Great Lakes fish, fish for Federal waters and Indian lands. Those are the primary missions of the hatchery system which we consider to be our priorities.

## PRIVATE FISH PRODUCTION

Senator STEVENS. Are you coordinating your priorities with EDA and the development money they have? I ask that because our people on the West Coast tell me that the aquaculture program would actually repay loans if they had monies for the aquaculture plans to do—well, not really fish farming anadromous fish. They have several from Prince William Sound. It seems very difficult to get that money, and yet as I understand what you are saying—and I agree with you—that is an area that the Federal Government ought to be involved in. After all, those salmon runs are down perilously low for a lot of reasons—primarily Federal inaction, as far as I'm concerned, on the 200-mile bill. But beyond that there is a Federal responsibility. In the area of where people want to assume the burden it would seem to me that the Fish and Wildlife Service would be helping to guide EDA's judgment as to where to put the monies.

Secretary REED. We also retained the expertise in nutrition, disease, growth, genetics—key things which the private enterprise needs in order to establish these new highly innovative saltwater pen-reared anadromous fish.

You are absolutely right, Senator, we have given up far too much in the last 25 years through the lack of strong foreign treaties. Our anadromous fish runs have suffered much because of that. We are going to have to find some way of controlling fish in our own waters.

The Fish and Wildlife Service has marvelous expertise which it shares with the States and with local private enterprise—nutrition and disease being the core of it.

## POSSIBLE EDA COORDINATION

Senator STEVENS. Have you explored the concept of getting involved in some sort of a participatory arrangement with EDA on a guarantee? I think you can build hatcheries up and down the West Coast if EDA had just a little bit of a push.

Secretary REED. I will give you my word that if we are not already in close coordination with EDA, which I know we are on feeding and diseases, we should be in closer coordination with them on the entire establishment of private enterprise hatcheries.

Senator STEVENS. We have a group that is putting out the basic money and they are not even penning them for these needs. They are turning them loose.

Secretary REED. I watched one in Iceland for Atlantic Salmon which is being done out of a small hatchery, down a chute into the Bay and then they are gone. They had a 19.7 percent return in their first 2 years, which is staggering when you consider that our Columbia River hatcheries are giving us 3 to 4 percent. At a 19 percent return, you don't need to have any pen at all, especially with salmon selling at \$3.50 a pound. That is a gold mine.

Senator STEVENS. We would like to have, if we can, a list of the hatcheries that are still in operation under the Fish and Wildlife Service, and some indication of what your plans are for them.

[The information follows:]

## FISH AND WILDLIFE SERVICE

Resource Management  
Fishery Resources

## Statement Concerning Federal Hatcheries Still Under Federal Operation

Alabama

Carbon Hill

Arizona

Alchesay-Williams Creek  
Willow Beach

Arkansas

Corning  
Greers Ferry  
Mammoth Spring  
Norfork

California

Coleman  
Tehama -Colusa Fish Facility

Colorado

Ft. Morgan Fish Disease Lab.  
Hotchkiss  
Leadville

Florida

Welaka

Georgia

Chattahoochee Forest  
Cohutta  
Millen  
Warm Springs

Idaho

Dworshak  
Hagerman  
Kooskia

Kansas

Cedar Bluff

Kentucky

Frankfort  
Wolf Creek

Louisiana

Natchitoches

Maine

Craig Brook  
Green Lake

Massachusetts

Great Barrington  
North Attleboro

Michigan

Jordan River  
Pendills Creek-Hiawatha Forest

Minnesota

New London

Mississippi

Meridian  
Tupelo

Missouri

Neosho

Montana

Bozeman  
Creston  
Ennis  
Miles City

Nebraska

Crawford

Nevada

Lahontan  
Marble Bluff Fishway

New Hampshire

Berlin  
Nashua

New Mexico

Dexter  
Mescalero

North Carolina

Edenton  
McKinney Lake  
Pisgah Forest

North Dakota

Garrison Dam  
Valley City-Baldhill Dam

Ohio

Hebron  
Senecaville

Oklahoma

Tishomingo

Oregon

Eagle Creek  
Warm Springs

Pennsylvania

Allegheny  
Lamar-Tylersville

South Carolina

Cheraw  
Orangeburg-Orangeburg Co.  
Walhalla

South Dakota

Gavins Point  
Spearfish-McNenny

Tennessee

Dale Hollow  
Erwin

Texas

Inks Dam  
San Marcos  
Uvalde

Utah

Jones Hole

Vermont

Pittsford

Virginia

Harrison Lake  
Paint Bank  
Wytheville

Washington

Abernathy Development Center  
Carson  
Entiat  
Leavenworth  
Little White Salmon-Willard  
Quilcene  
Quinault  
Spring Creek  
Winthrop  
Yakima Fish Screens

West Virginia

Bowden  
Leetown  
White Sulphur Springs

Wisconsin

Genoa  
Lake Mills

Wyoming

Jackson  
Saratoga

The Fish and Wildlife Service will not be transferring or terminating any hatchery operations without first consulting with the appropriate Congressional committees.

Secretary REED. In my statement, I want to reemphasize we will do nothing without the full advice and consent of the Appropriations committees of the House and Senate. We would like to field our very comprehensive report with you. We would like your critique, your criticism of it. I don't expect this to happen overnight but we have made outstanding progress with states that take over. And if we can get the States to take over many of the southern pond hatcheries, with the approval of the Appropriations Committees, I think we can, with the same amount of money, turn our attention to the areas which the Federal government has a priority.

I think we are spread a little too thin, working on programs that were started a long time ago for a very specific reason. The height of interest in soil conservation in the South culminated in the building of thousands of farm ponds and reorientation of a great deal of land around them.

#### BOLDT DECISION

Senator STEVENS. Do you know if the State of Washington agrees with your concept that there is a diminishing Federal role as far as the Judge Boldt decision activities are concerned? You have the funding down from \$2 plus million to \$1.1 million. Do they agree with that?

Secretary REED. I don't think there is any question about it, that the State of Washington would like to have a continuation of the Federal pass-through to them. I think there is a legitimate need.

The first year I think the Appropriations Committee was very decent to the State of Washington, where it said during the emergency period following the announcement of the Judge Boldt decision that you recognized this extraordinary situation, and you passed through a great deal of money to help them in their first year.

Senator STEVENS. Is it realistic? My good friend, Warren Magnuson, is a member of this committee. Is it realistic to think that that \$1.1 million is all that they need?

Secretary REED. That is all the Federal government needs. The State of Washington is going to have to pick up a larger and larger share of the cost of implementing the very difficult Judge Boldt decision.

Senator STEVENS. Why should that be? It is a Federal decision, a Federal court; it is based on a Federal treaty that says the State of Washington has to observe the rights that were created by the Federal government; an anadromous species for the Indians of the State of Washington.

Why should the State of Washington have to pick up more and more of that cost?

Secretary REED. Basically I would answer that by saying that hopefully that is the whole thrust of getting the States to manage. I don't think the salmon is a Federal fish.

Senator STEVENS. But the Indians have to get their rights from the Federal government, not from the States.

Secretary REED. But before statehood. That is a treaty that goes back to the 1840s.

Senator STEVENS. It is still a Federally created right, and you are saying the citizens of Washington ought to pay to add to the salmon base because of the Federal action that would secure a portion—we don't need to comment one way or the other about the Boldt decision. I think as a matter of fact it is probably right. But as a practical resource management concept, why should the citizens of Washington pay for the Federal action which created this special thing for the Indians of Washington?

Secretary REED. The money that was to go to the State of Washington was to be used principally in the monitoring of the size of fish runs and prediction of this year's and next year's runs. I do not believe it cut out any money for the production of fish. Those would have been—

Senator STEVENS. We had two levels of money. One was for the research and one was for actual assistance in construction. As I understand it, you only have the money in here for the research.

Secretary REED. Let me have a moment here, and see if I can break for you the exact figure on what it would be used for, the difference between the two figures. The question is a legitimate one.

It was felt that the pass-through was unique to one year and should not be continued. But certainly Senator Magnuson and you have a great interest in this, and we need to give you a better answer.

#### GAME RANGE OPERATION

Senator STEVENS. Just so we are not fouled up in this record, I am informed that those three ranges that I mentioned before that the BLM operation figures is \$130,000, the same as last year.

I believe you mentioned \$600,000.

Secretary REED. I did, sir.

Senator STEVENS. We probably should anticipate an additional budget request to cover that new need, then, is that right?

Secretary REED. Yes, sir.

Senator STEVENS. I am hopeful that we can get to that request before we finish with this bill. The amount is not very great. There is a possibility we can clear it—if there is a possibility you can clear that up by letter. I would like to have it.

I think we have made the decision now that your service is handling that. BLM suffers a little bit because they don't have the identity of the Service as far as specific management concepts. We ought to make sure that the change is recognized in our next fiscal year.

#### PREPARED STATEMENT

Let me skip over now, if I may. Mr. Greenwalt, I have gone over your statement, and it is a very good one. It will be printed in full in the record. So would you highlight it.

Before you start, I have to make a call at 11:30. Let me make it right now, if I may. We will take a 5-minute recess.

[A brief recess was taken.]

[The statement follows:]

Mr. Chairman:

My associates and I welcome this opportunity to discuss with you and members of the Subcommittee the fiscal year 1977 program proposals of the United States Fish and Wildlife Service.

To provide you with a quick overview of the numbers involved, the budget submitted for your review proposes the allocation of \$141.5 million for the work of the Service in fiscal year 1977. Overall, this represents a net reduction of \$16.3 million below the total available for these appropriations in fiscal year 1976. The permanent position allocation for fiscal year 1977 is 4,138, a reduction of 76 positions as compared to 4,214 at the end of the current year.

#### Resource Management

For the Resource Management appropriation, our primary operating account, there is a net increase of \$2.2 million over the current year. Of that amount, about three-fourths represents non-discretionary increases for space rental and pay raise. In addition, within this appropriation, reductions of some \$4.4 million offset increases in direct Service operations. The reductions are based on completion of the Lake Champlain study and termination of the endangered species grant-in-aid and the additional funding provided for the Judge Boldt decision.

Our fiscal year 1977 proposals, Mr. Chairman, focus largely on expanding capabilities to preserve fish and wildlife resources by protecting their habitats.

#### Habitat Preservation

The root problems for fish and wildlife in this country are habitat problems. Man occupies, uses, and alters land and water resources which are essential for wildlife. If we are to assure the preservation, enhancement, and perpetuation of fish and wildlife--and this is what our organization is all about--we have to be actively concerned about man's infringement upon and alteration of the habitat base. If we don't, our living resources will face an uncertain future at best, and, at worst, an inability to continue as diverse and viable components of the total natural environment. Our efforts to expand or maintain capabilities in such areas as biological services, ecological services, research, and land acquisition respond to the need to get on top of habitat problems and maximize opportunities for habitat protection. I think this emphasis is clearly in the best long-term interest of fish and wildlife, and, therefore, in the interest of the citizens of this country.

In the Habitat Preservation category, we ask for an additional \$2.9 million. These funds are needed for the following purposes:

- National Wetlands Inventory. The wetlands of the United States constitute a major natural resource. Not only are they essential to the survival of a great variety of wildlife, they also contribute to total ecological stability and directly benefit people by reducing flood levels, storm damage, water pollution, erosion and sedimentation. They provide places for hunting, fishing, nature observation and natural area enjoyment. Wetlands are being destroyed rapidly by developments for agricultural, recreational and industrial purposes or significantly degraded by pollutants--sewage, pesticides, oil and other contaminants--discharged into the waters sustaining these wetlands.

Fiscal year 1977 will be the first of a three-year operational phase to develop a new national wetlands inventory data base. The existing wetlands inventory is now 20 years old and largely obsolete. The information collected, based on a consistent nationwide classification system, will be available on both maps and in computer forms, for Federal, State and public organizations. In the Service, we will use the information to help guide existing wetlands protection efforts, including land acquisition, and for our review of permits issued by such agencies as the Corps of Engineers and the Environmental Protection Agency. Products of the inventory will give us and others information needed for area, regional or flyway analysis of wetlands status. With up-to-date information on the type, location, size, distribution and boundaries of wetlands, we can better determine the critical needs for protection of wetland areas of high priority. For all these reasons, I believe conduct of the wetlands inventory is an urgent need in relation to national habitat protection programs. This belief is shared by many cooperating Federal and State agencies, including the Corps of Engineers, Environmental Protection Agency, and Soil Conservation Service.

- Evaluation of Environmental Effects of Coal Extraction and Conversion. This country is now deeply engaged in various types of energy exploration and development. Coal represents the most readily available energy source. We must be prepared to chart ways to minimize the impacts of coal extraction, processing and transport on fish and wildlife while still assuring development of this vital resource. This must be done before broad scale developments are upon us.

We have located several 5,000-square-mile impact assessment or study areas in high priority coal regions. At these locations, we will develop rapid assessment techniques--using remote sensing, biotelemetry, and computer-based information systems--to improve understanding of extraction and conversion impacts on various types of natural areas. Activity at three of these locations in the West will begin in fiscal year 1976. We proposed in fiscal year 1977 to activate two more of these areas, one in the West and one in the East.

The techniques developed will help improve the timing, quality and effectiveness of environmental assessments and assist in predicting effects of an expanded coal industry. In this way, we can provide information needed to support environmentally sound decisions on site selection, guide the leasing process, plan mitigation efforts, and develop operating plan stipulations. Our efforts are coordinated with other Interior bureaus. The Service has, for example, participated on task forces to design coal leasing and operating regulations. At the field level, the Service has been generating data bases for use by the Bureau of Land Management in their framework planning. Unless this information is available, experience suggests that future acceleration of coal development will face unnecessary controversy and delay. I doubt the nation can afford either; I know fish and wildlife must have the kind of protection this work will help bring about.

- Permit and License Review. In fiscal year 1977 we expect to receive about 65,000 applications covering projects that require Federal permits or licenses. These projects range from dredging, filling, bulkheads and docks, to point-source pollutant discharges. Between 1974 and the end of 1976, the number will have increased from 27,000 to an estimated 52,000. Last fiscal year, we made no recommendations on some 22,000 (82 percent) of the pollutant discharge permit applications. Moreover, I doubt whether it is either desirable or feasible to plan our future program on a permit-by-permit field review basis. Our responsibility, of course, is to insure that the permitted or licensed projects are carried out in ways which will minimize damages to fish and

wildlife resources. Clearly, however, some proposed projects entail greater threats to those resources than others, and there are ways to conduct the reviews which will reduce the amount of labor and funds needed on an individual permit basis. In 1977, we propose to develop, at least on an experimental basis, ways to address the concerns I have just noted.

- Contaminant Evaluation. We will improve our capability for evaluating environmental contaminants. The problems are massive, accelerating and pervasive. We need to improve our ability to detect and analyze toxic substances in the environment, and to determine their effects on fish and wildlife. This must be done to assist our own management efforts, as well as those of the States, and to develop information needed by Federal regulatory agencies. The increase will be used to create new analytical capability for working on highly complex insecticides, herbicides, and other toxic substances. We have in the past demonstrated the adverse effects of DDT, PCBs, and other compounds on fish and wildlife. Knowledge of these effects has provided society clear warning signals about the potential threats to man of environmental contaminants. Our direct concern is to understand the impacts of new compounds or the interaction among compounds on wildlife. But to the degree that living natural resources signal adverse environmental change--often before such change is otherwise detectable--that concern is also probably one for our entire society.

#### Wildlife Resources

The budget for this activity reflects a net change of an additional \$911,000. The principal programmatic increase is requested to fund expanding requirements under the Alaska Native Claims Settlement Act.

- Alaska Native Claims Settlement Act. The increase we request for ANCSA-related activities continues the habitat protection emphasis I have just outlined. In essence, the State and various Federal agencies are cooperatively dealing with questions concerning the best use of 300 million acres of land in Alaska. For the Service, the limits of the pending land allocation decisions boil down to 31.6 million acres proposed for new units or additions to existing units within the national wildlife refuge system.

Congressional review of these proposals has begun and will continue through December 1978. It is necessary for the Service to continue development of information needed to support Congressional decisions on these proposals. We must also increase our capability to improve coordination with the State of Alaska, assist other agencies in monitoring oil and gas exploration or other activities on proposed land additions, strengthen our liaison with native villages and regional corporations in order to develop cooperative management agreements, and collect data for future classification of some 135 million acres of remaining public lands. I have enumerated for the Subcommittee in the past some of the almost staggering numbers of wildlife supported by Alaskan habitat--literally hundreds of millions of songbirds, marsh and shore birds, waterfowl, salmon and other fish species, and mammals. It is essential to assure the protection of these resources as decisions are made which affect their unique and diverse habitats.

- Refuge Funding. As you know, Mr. Chairman, Congress appropriated an additional \$2.5 million in fiscal year 1976 to support operations of the national wildlife refuge system. This budget provides for the same level of operational funding for the system in fiscal year 1977. An additional \$979,000 is requested under the Construction appropriation

for ten of the highest priority major rehabilitation projects within the refuge system.

Of the \$2,500,000 added last year, the budget proposes that \$500,000 should be spent in support of the Endangered Species and Interpretation and Recreation programs on refuges. It is important that we properly identify the purpose for which these funds are used on refuges so that we can maintain the integrity of our program management system.

This system is allowing us to make better decisions and to keep others informed on how the Service money is spent. For instance, Congress provided us a \$10 million authorization ceiling for endangered species; the budget indicates how much we are proposing to spend on that program. We can adequately account for our funds by organizational function, field station or program, but we try to focus our decision-making on the key item: what are the most important actions we can take to benefit the wildlife resource in question whether it is migratory birds, endangered species, or anadromous fish.

#### Fishery Resources

A net reduction of \$1.6 million in funds is budgeted for this activity. The principal change is to eliminate the \$1,985,000 added by Congress to the current year appropriation for financial assistance to the State of Washington. These funds are being used by the State to develop data to implement the Boldt decision regarding Indian fishing rights in northwest Washington. There are other mechanisms, however, to provide assistance to the State for work associated with the Boldt decision. The \$690,000 appropriated in fiscal year 1975 remains in our base for case area work; as does the \$300,000 grant under the Anadromous Fish Conservation Act.

There has been considerable interest in the fishery management policy of the Service. I should like to outline briefly the current status of policy development. First, there is general agreement that the Service should emphasize actions required at the national level to increase understanding and improve technologies related to fish production, distribution, and resource management through research and development. Second, Service production of fish to help maintain international resources, such as those of the Great Lakes and anadromous populations, should receive priority attention. Third, the Service will not terminate production of fish for the farm pond program on June 30, 1976 as previously recommended, but will continue to seek acceptable alternatives which would reduce direct Service participation. Fourth, to encourage and assist States to provide fish required for farm pond stocking, units of the national hatchery system may be made available to the States based on State interest, national fishery resource priorities, and concurrence of appropriate committees of Congress.

#### Endangered Species

I am again requesting additional funds to step up the collection of biological facts needed to support listing of endangered and threatened species. This is a basic function of the program. We must determine the status of candidate species, based on precise biological information, to set priorities for future recovery actions and to provide protection afforded under Sections 7 and 9 of the Act. Section 7 provides immediate protection of critical habitat of listed species from Federal

actions; Section 9 protects listed species from any form of harvest or taking. The \$625,000 increase will enable us to accelerate status surveys on about 550 species, using contracts and cooperative arrangements with universities, private organizations, and State fish and game authorities.

An Executive Order is anticipated in the next few weeks which will establish active United States participation in implementing provisions of the International Convention on trade in endangered species. The Service will work with other countries in controlling or regulating trade in various species and their products, and also assist other nations by providing scientific and management advice and information. Effective support of the Convention provisions is a key element in providing worldwide protection of endangered species. We request \$500,000 for this work.

An additional \$225,000 is requested to handle the import/export permitting authorities established by the 1973 Act. These permits, which cover a number of specified uses, must be processed promptly both to protect the species involved and to support the legitimate interests of the scientific or educational community. As the number of listed species increases there will be a growing volume of permit requests. The increase in funds is essential if the Service is to carry out effectively provisions of the Act.

#### Construction and Anadromous Fish

The budget provides \$6.7 million for this appropriation. For construction and rehabilitation of Service facilities, our request is \$3.2 million; for anadromous fish grants, \$3.5 million.

- Fishery Programs. The amount of \$1.6 million is proposed to complete facilities at the new Atlantic salmon hatchery at Green Lake, Maine. This unit will contribute up to 600,000 Atlantic salmon annually to assist in the restoration of this species in New England waters. This output is needed to help develop an important interstate and international resource and achieve objectives for the Coastal Anadromous Fish program.

Funds have been appropriated in the current year to construct a fifth research vessel for the Great Lakes. This vessel will be used to extend our population assessment and other work on Lakes Ontario and Superior. Four existing research vessels, which are between 15 and 25 years of age, require modification and repair for safety and operational effectiveness. We request \$100,000 for this purpose.

A total funding level of \$3,513,000 is proposed for grants authorized by the Anadromous Fish Conservation Act, the same funding as fiscal year 1976. These funds will be used in 24 States for work on 74 construction, research, and planning projects. This program has had a major impact on developing anadromous and Great Lakes fisheries for benefit of both recreational and commercial interests. It is a highly cost-effective mechanism for maintaining one of the nation's major natural resources.

- Wildlife Resources. Two of our principal wildlife research centers--Northern Prairie at Jamestown, North Dakota, and Patuxent at Laurel, Maryland--require substantial improvement of facilities in order to contribute effectively to several major programs. At Northern Prairie, we request \$490,000 to hook up with the water system of the City of Jamestown. The well water now used is hard and highly corrosive, resulting in deterioration of pipelines and equipment. At Patuxent, \$45,000 is

needed to modify the electrical system in part of the chemistry building to reduce a safety and fire hazard and provide a reliable power supply.

Migratory Bird Conservation Account

The Service's request for funding the migratory bird land acquisition program is \$12 million, a \$7.5 million reduction from the fiscal year 1976 appropriation. This request represents receipts expected from the sale of migratory bird hunting stamps. No advance appropriation is requested in fiscal year 1977.

Recent studies by the Service clearly document, however, that substantial land acquisition capability is necessary to achieve program objectives and is a good investment of public funds. The Congress has sent a bill extending the Wetlands Loan Act to the President for his signature. Such authorization, coupled with the results of our planning efforts, will enable us to develop these needs in future budget formulations.

This concludes my opening remarks. My associates and I will be pleased to respond to questions of the Chairman and members of the Subcommittee.

## STATEMENT OF LYNN A. GREENWALT

Senator STEVENS. Thank you, Mr. Greenwalt. Would you please proceed?

Mr. GREENWALT. Yes, sir. I will speak very briefly inasmuch as the substance of my statement is before you and many of the points I would have covered were covered eloquently by Mr. Reed.

I would like to say, Mr. Chairman, only that our principal concern is for that which is fundamental to the well-being fish and wildlife throughout this nation, and indeed the world. That is the problem of habitat disappearance and degradation.

For that reason you see reflected in our budget proposal considerable emphasis in the area of habitat preservation, made up of activities like the national wetlands inventory, contaminant evaluation, particular emphasis on the study of the environmental consequences of coal extraction and conversion, and those activities that are directly related to the continuing, and indeed accelerating, depletion and degradation of habitat in the United States.

These are the major thrusts which we have identified in our budget. Many of the other items have been referred to earlier.

## JOB OPPORTUNITIES PROGRAM

I would like, if I might, Mr. Chairman, to draw your attention to one final note in the form of a status report. Congress recently appropriated \$1.8 million to the Service through the Job Opportunity Act to use in creating capital improvements in high unemployment areas.

The Service has completed five such projects involving 95 jobs or 22 man-years of activity and expenditure of about \$300,000. The remaining \$1.5 million is 62 percent obligated as of the first of January.

I might say, Mr. Chairman, that these activities have helped immeasurably where they have been applied in the problem of solving the maintenance and reconstruction difficulties on refuges and hatcheries throughout the system.

Mr. Chairman, I, along with my associates, would be delighted to answer any more specific questions you have.

## INCREASED RESPONSIBILITIES VERSUS DECREASED RESOURCES

Senator STEVENS. Your statement notes you are down in money and personnel. How do you feel you can carry out the responsibilities of the Service with this type of a request in view of the mounting problem?

Mr. GREENWALT. The problems are mammoth, Mr. Chairman, and they are growing more difficult as time goes on. We do believe that we can carry out an adequate job. None of us is naive enough to feel that we can do all the things that the Service can be and has been called upon to do, simply because the arena of our responsibilities is a very large one and I am not sure that we can ever hope to do all the things for which we have authority, and in many cases, fundamental responsibility.

Given the circumstances of the Federal budget at this time and the fiscal climate, I feel this is an adequate budget. Certainly, as I said, we are not going to discharge all the full-range of responsibilities of the Service.

#### POSITION REDUCTIONS

Senator STEVENS. Fifty-six of your 76 position reductions are in one area, resource management. Can you identify those positions by the activities involved?

Mr. GREENWALT. Yes, sir.

Senator STEVENS. Would you do so for the record?

Mr. GREENWALT. Yes, sir.

The reduction is presently scheduled to be taken from the activities as follows:

Biological services .....	+6
Animal damage control .....	-18
Inland and reservoir fisheries .....	-19
Interpretation and recreation .....	-1
General administration .....	-24
Total .....	-56

Senator STEVENS. Isn't that a very heavy impact in one area?

Mr. GREENWALT. That area is the largest in the Fish and Wildlife Service. I am sure the chairman understands we operate with three basic accounts. One which we term resource management. The other is construction and the anadromous fish account. And finally those things of which examples are Dingell-Johnson grant-in-aid funds.

Senator STEVENS. I understand you have more money in that area, but you have 56 less people. You are either going to contract, or you are going to change your direction as far as that area of your service.

Mr. GREENWALT. That is true. The Resource Management Account is where virtually all the people are, too.

#### CONTRACTUAL SERVICES

Senator STEVENS. But you are going to have more money. Are you going to contract out some of the work you have been doing in the past?

Mr. GREENWALT. We have been contracting out some of the work we would have otherwise done with our own Service personnel.

Senator STEVENS. What kind of work are we talking about?

Mr. GREENWALT. We feel that we can contract particularly through universities, and private contractors in this field some of the studies related to the Biological Services effort, which is fundamentally an assessment of the probable biological consequences of actions taken in energy exploration and exploitation.

We also feel that we can contract a great deal of work in the area of routine chemical analyses, and other kinds of routine things which otherwise are done by Service personnel.

In many cases we will use temporary employees which do not count against the total ceiling for the Service.

## USE OF TEMPORARY EMPLOYEES

Senator STEVENS. You use those part-time employees a certain number of hours as in the Park Service?

Mr. GREENWALT. Yes.

Senator STEVENS. What is the normal range?

Mr. GREENWALT. It runs on the average of about 600. It increases, obviously, in the summer season.

Senator STEVENS. Are those renewable contracts?

Mr. GREENWALT. These are not precisely as the Park Service uses or has their contracting authority. We have a variety of temporary appointment authorities, many of which are renewable.

In other words, we will often use the same employe year after year.

Senator STEVENS. Do they have the approval of the Civil Service Commission?

Mr. GREENWALT. We have approval for the total number of these kinds of appointments. It presently is at about the 1600 level for the Service.

Senator STEVENS. Are they the same people? Do you just sort of change them? Do you change their hats?

Mr. GREENWALT. These people, particularly the seasonal ones, may very well be the same individuals. Very often, for example, within the refuge system there may be local residents who appear each year on the strength of a temporary appointment.

## IMPACT OF PERSONNEL REDUCTIONS

Senator STEVENS. I mean the reduction. Is that real, or are they just going to—

Secretary REED. No; that is real. Regrettably so. That is real.

Mr. GREENWALT. That is real. Those are permanent full-time employes, and we are obliged to be at a certain level at the end of each fiscal year. These are real reductions.

Senator STEVENS. Don't you have some reductions now?

Mr. GREENWALT. There are always vacancies at any given time. Now, how one arrives at that new lower ceiling, of course, is a function of utilizing vacancies that presently exist, and upcoming retirements, and other kinds of attrition.

Senator STEVENS. Do you contemplate taking the reduction in that manner, through attrition?

Mr. GREENWALT. We will take as much as we can that way. I suspect, based on past history, that we will not be able to get all the reduction by attrition.

## HABITAT PRESERVATION

Senator STEVENS. You have six additional positions and a \$2.7 million increase in the habitat program. Is that an increase in the program, or is that just a cost increase?

Mr. GREENWALT. It is a reshuffling of people. In the context of the six additional personnel, the total habitat preservation area represents an increase in funding but not in personnel.

Senator STEVENS. What is this \$450,000 increase for? That is ecological areas involved in coal mining. Where is that and what are you talking about?

Mr. GREENWALT. This essentially extends our present activity related to coal extraction from the Western States into the Eastern States. I might say, Mr. Chairman, that we have been carrying out a program of identifying existence of wildlife and its habitat as it may be impacted by coal extraction, particularly in the West where the massive coal extraction is contemplated, where coal leases are to be considered.

Our purpose here is to be able to identify those areas the changing of which through the coal extraction process may affect fish and wildlife values. And, by being able to identify the most critical of those conditions, the way, or the time, or the places at which coal extraction occurs in order to provide for a minimum impact on fish and wildlife. The \$450,000 will help fundamentally to extend this activity into the East where about 60 percent of the coal reserves in the Lower 48 States exist.

#### EPA COORDINATION

Senator STEVENS. Do you coordinate those studies with other agencies? I understand EPA is involved in that.

Mr. GREENWALT. EPA is involved. And, as a matter of fact, we have utilized a substantial amount of EPA funding for the purpose of fish and wildlife evaluations in these areas. We also work very closely with USGS and BLM in these activities.

#### WETLANDS INVENTORY

Senator STEVENS. You are asking for an additional \$1 million for the national wetlands inventory. How much in total is budgeted for this program?

Mr. GREENWALT. The base for the program is \$600,000. Therefore, the total budget for fiscal year 1977 is \$1,600,000.

Senator STEVENS. On the one hand you want more money to inventory wetlands, and on the other you want to decrease appropriations for wetlands acquisition. How do you justify that policy?

Mr. GREENWALT. the wetlands inventory will provide information which is vitally needed in a number of programs involved in wetlands protection and management within and outside of the Fish and Wildlife Service. Within the Service, we need this information as a basis for our permit review activities and in connection with migratory bird management.

Although a decrease in funding for wetland acquisition is proposed in fiscal year 1977 due to stringent financial conditions, Public Law 94-45 was enacted February 17, 1976. This act extends the accelerated loan authority for seven more years and increases the loan amount to \$200 million. This will permit the launching of a revamped land acquisition program that now has the support of the Administration and the Congress. The wetlands inventory data will not be available until after fiscal year 1977, but will be vital to the acquisition program as soon as they are available. Whatever level of acquisition program we go forward with will be most effective if it is based on good wetlands data.

Further, as letters from the Corps of Engineers, EPA, and other Federal agencies attest, the inventory is needed if we are to do the

best possible job of protecting wetlands against development pressures through the regulatory process. In some cases, this will be needed to safeguard wetlands until they can be acquired. We have wide interagency support and endorsement for this activity.

#### TOTAL COSTS OF WETLANDS INVENTORY

Senator STEVENS. This inventory is the first of a 3-year program. What is the estimated cost of the total program for that period?

Mr. GREENWALT. The estimated 3-year cost is \$1,600,000 annually, or a total cost of \$4,800,000.

Senator STEVENS. What exactly will the country gain from the wetlands inventory?

Mr. GREENWALT. I think the inventory is one of the most important projects the Service is undertaking. I know that I don't have to describe to you, Mr. Chairman, just how crucial the wetlands are to the fish and wildlife resources of this Nation. So it is vital that we do everything we can to protect them.

Through our acquisition program we can acquire and protect some fraction of the wetlands. As already indicated, the inventory will help to make that acquisition program most effective by identifying critical sites which should be acquired.

Additional measures are needed, however. These include State planning and protection under the Coastal Zone Management Act, State and local acquisition programs, and effective Federal regulatory activities. I'm happy to say that the value of wetlands is increasingly recognized by various Federal agencies and reflected in their rules and programs.

The inventory will provide a central base of reliable information that can be used by all these interests. Not only will it assist in doing a better job of wetlands protection; it will also provide the information more cheaply. Our estimates indicate that the inventory will have a favorable benefit-cost ratio, when you consider all the needs for wetlands data in connection with Federal permits, Environmental Impact Statements and the like. It will provide more reliable, uniform data and it will reduce the costs of data collection.

#### PERMITS AND LICENSE REVIEWS

Senator STEVENS. You have an additional \$750,000 in the area of reviewing permit and license applications on various projects affecting fish and wildlife habitat. What is the total amount for that budget now?

Mr. GREENWALT. Incidentally, Mr. Chairman, while we are getting you that particular figure, I might mention that this amount carries with it no ceilings. As you know, it is in this area that we intend to reexamine the ways in which we can effectively use contracts to do much of the basic work which is related to these permits. Most of them are related to the pollution permits under EPA.

Senator STEVENS. You indicated in your justification that the service made no recommendation on 82 percent of the pollutant discharge permit applications last year. Are you going to change that?

Mr. GREENWALT. We hope to be able to develop a system whereby we can set some standards and some procedures that enable us to

look at these things in a much larger block rather than as individual permits. That would enable the permit agency to move much more rapidly, and enable us at the same time to examine with far greater diligence the probable impacts of these pollution discharges.

That entire program is \$9 million.

Senator STEVENS. \$9 million. You say there are no ceilings. Are you talking about personnel ceilings?

Mr. GREENWALT. Yes, sir.

Senator STEVENS. Are you contracting some of that money out to EPA, or to whom are you contracting it?

Mr. GREENWALT. Perhaps Dr. Hester, who is in charge of this program can answer with greater specificity.

#### ASSESSMENT WORK BY PRIVATE CONTRACTORS

Dr. HESTER. We will contract with people who are capable of doing assessments of areas that are proposed for some type of land-use change. It might be a dredge or a fill activity in an applicable water area for example. We would have to have people who have the same kind of expertise that we have look at the site and help us make certain evaluations.

Much of the time-consuming work has to be done by other people.

Senator STEVENS. Are we talking about government people or private?

Dr. HESTER. These will be private people. In some cases, State Fish and Game agencies might be able to undertake some of these studies, but basically they will be private contractors doing part of the assessment work for us in preparation for developing our position on a given permit.

Senator STEVENS. Are you talking about universities, or are you talking about organizations like the Sierra Club, or what?

Dr. HESTER. No. There are contractors available. Not uniformly throughout the whole United States, but in some areas there are environmental consultants, people who do environmental impact statement work, for example.

These organizations have knowledgeable ecologists on their staffs. We will contract with them to do part of this work.

Senator STEVENS. Has that policy been reviewed, Mr. Secretary? The idea that the responsibility of the Federal Government under NEPA would be contracted out to people who might be consultants seems like it might be an horrendous problem.

Secretary REED. It has been contemplated. Manpower problems are so tremendous with the Fish and Wildlife Service and the responsibility under the Coordination Act and the Water Quality Act and now under the new interpretation of the Water Quality Act with 404 permits, is so tremendous that the Secretary agreed to allow a test run of a contract with highly qualified contractors to find out how much of the load can be contracted without giving up jurisdiction of the Federal Government—an overview of the Federal Government.

Senator STEVENS. How do you protect yourself against conflict of interest under a situation like that?

Secretary REED. The contractor himself. We use a contractor who has an established track record, who has worked with the Corps of Engineers or worked for EPA, which many have.

The Corps contracts out almost all of its environmental impact statements now to highly qualified consultants. It is basically for the production of raw data. The Fish and Wildlife Service apparently has the manpower to be able to take those data and make some conclusions from them in its final report.

Mr. GREENWALT. The key factor, Mr. Chairman, is that the ultimate decision, the recommendations to issue a permit or to deny it remains with the Fish and Wildlife Service.

Secretary REED. This is a close area. A tremendously important one to the Fish and Wildlife Service because it is the work in navigable waters, in marshes, and estuaries that has a major impact on fish and wildlife values.

#### REDUCING ENVIRONMENTAL STUDY COSTS

Senator STEVENS. It is sort of interesting. I am not sure that Congress has ever seen it in this fashion. We see now the Corps of Engineers is contracting out some of its studies. EPA is contracting out some of its studies, and you are contracting out some of your studies.

I think the figure was determined. It was about 12 percent of the budget which related to EPA for environmental type studies in these agencies. It is a continuing responsibility.

If you don't have the personnel to do it, I just wonder whether the cost is not greater in the way you are going at it than just to build up the staff. When you have a continuing responsibility it is not a one-shot problem.

Secretary REED. No, sir. It is not a one-shot problem.

Senator STEVENS. Not even a short period of time problem. It is a long term problem. These are long term responsibilities.

Maybe we ought to take a look at it and see if we should not get one agency to do environmental assessments for everybody. It looks to me like those people who are in private business are likely to get contracts from the Corps and from EPA, from you and from the State, and from anybody that has the responsibility.

I think it would be a pretty good deal, writing the same report four times on the same subject. That is a good way to make some money, and it would increase the cost of the Federal bill, too.

I am just not sure. I have to call that to the attention of the Chairman. I am not sure that direction is anything we want to discuss.

Have you discussed it with the authorization committees?

Secretary REED. No, sir. We have not discussed this with the authorization committees that I know of. The chairman's question on how many of us are involved in reviewing the same permit is pertinent.

The Corps of Engineers permit now is studied by Fish and Wildlife which is a mandatory responsibility of the Coordination Act, by EPA under the Water Quality Act, and by the National Marine Fisheries under its responsibilities in the coastal zone. At the start there were three Federal agencies examining the same permit.

It has crossed my mind many, many times.

Senator STEVENS. It is more than that. CEQ is involved with Agriculture also. And there is someone else who is involved in domestic water supplies. There are several agencies. That is a redundancy that

the taxpayers are paying for, and I am not sure we are getting the objectivity that we would get if you each had your own, or if there was one central agency to do it.

Secretary REED. Going to one of the field offices is a very enlightening trip, to see the multiplicity of permits that come in, much of which the permit review officer can look at very quickly and tell you whether it is going to have any kind of a major impact on fish or wildlife resources.

But it is staggering, the amount of paper that comes across their desks per annum.

#### ARCTIC GAS PIPELINE

Senator STEVENS. Which reminds me of something. We are starting this battle over the gas pipeline, and I have noted that the national environmental organizations have taken a uniform position demanding a permit across the wildlife range for a gas pipeline.

Have you reviewed that subject yet?

Secretary REED. Yes, sir.

Senator STEVENS. Has the Department taken a position on it yet?

Secretary REED. The Department has forwarded its position to the President, and I am not sure that the President has made a decision on our recommendations.

Senator STEVENS. In view of the vast amount of gravel we have had to take out for the old pipeline and some of the battles we have had as to that gravel, you people distinguished yourselves with common sense with regard to that project, but still it is a sizable amount.

Has anyone studied to see where the gravel is going to come from if it does go across that wildlife area?

Secretary REED. Across the Arctic Wildlife Range?

Senator STEVENS. Yes.

Secretary REED. Yes, sir. In the major study it discussed the ramifications of crossing the wildlife range. And in contrast it gave a very interesting description of going down the existing right-of-way.

I think that men looking at them will see the significant advantages of going down the route where you already have a road. You have access. You have campsites. They are over a piece of ground that is already impacted, even though it has been brilliantly done.

#### IMPACT OF GRAVEL REMOVAL

Senator STEVENS. I don't think any of us had any contemplation at all the amount of gravel disruptions coming from the pipeline.

Secretary REED. NO. Across the range it has some very, very distinct problems. I think the Alyeska right-of-way has many fewer, but that is one man's opinion.

Senator STEVENS. Mr. Greenwalt—pardon me.

Mr. GREENWALT. I was just about to make a point that among studies we have presently underway is a major one in Alaska relative to gravel removal and its biological consequences—how to do this best, how not to do it. And we are spending \$852,000 on a 4-year study, recognizing that gravel is a particular commodity of great importance in all these kinds of activities; not just pipelines, but construction generally.

Senator STEVENS. My oldtime friends tell me you should just take a picture of the high water and let them take the grave where it is visible and you won't have any damage, but I guess that is too easy.

Mr. GREENWALT. It may be.

Senator STEVENS. The decisions seem to be made in the winter when the water is low. Decisions ought to be made in the summer when the water is high, because obviously if the gravel is out of the high water, there can't be any salmon eggs or any other kind of eggs imbedded in it.

Again, that is one of the problems that may seem too simple, but we did have some trouble as you know and I do think your people exercised good judgment and did a good job with regard to some of the problems incurred up there.

#### FUNDING SHIFTS

Senator STEVENS. Your justifications indicate you are taking \$500,000 of the \$2.5 million congressional increase for the refuge system and moving it into endangered species and recreation. In effect, then, you are actually cutting back on refuge funding, are you not?

Mr. GREENWALT. The National Wildlife Refuge System is funded through four programs: endangered species, interpretation and recreation, mammals and non-migratory birds, and migratory birds. In an attempt to more accurately reflect program priorities in the system, reprogramming a portion of the \$2.5 million fiscal year 1976 increase was requested in the fiscal year '77 budget justification. This involves a transfer of \$500,000 between programs in the resource management appropriation. A total of \$300,000 was reprogrammed from the migratory bird program and shown as an increase in the endangered species program on National Wildlife Refuges. Under the mammals and non-migratory bird program, \$200,000 was reprogrammed to the Interpretation and Recreation program. Again this was for higher priority needs within the National Wildlife Refuge System.

#### COYOTE CONTROL

Senator STEVENS. Last year you wanted to reprogram more money into coyote control, but later you dropped that idea. No additional funding is requested this year, and you are apparently dropping 18 positions out of animal damage control. Yet Secretary Reed spoke of a "level of control never before achieved". Just where do we stand on this program?

Mr. GREENWALT. As you know, the President announced a special initiative early this fiscal year to provide increased protection for livestock in the Western States from wildlife depredations. We proposed increasing our effort through aerial hunting, temporary employment of additional trappers, and the use of sodium cyanide in the M-44. Along with this expansion of our operational program, we also increased our efforts in research to develop environmentally safe uses of toxicants for predator control.

To carry out the President's special initiative, the Service proposed reprogramming funds within the ADC program and the Department of Agriculture and the Environmental Protection Agency provided

additional funds. The Department of Agriculture is providing \$1.4 million and the Environmental Protection Agency is providing \$300,000. The total planned increase in funding related to livestock protection over the previous year would amount to approximately \$1.7 million. These amounts exclude the transition quarter.

The Service's proposed reprogramming was from the ADC Eastern States program, and the ADC rodent damage control research program. That proposal was rejected by the committee. However, we are resubmitting a new reprogramming proposal, following Senator Byrd's suggestion that funds from the wildlife resources increase which we received in fiscal year 1976 might be used. The fiscal year 1976 ADC livestock protection effort is by far the greatest we have made in terms of both resources and manpower through our cooperative programs with the Western States.

The reduction in positions could be realized if enough States would take over the operational programs, although this appears uncertain at this point.

Senator STEVENS. How many States to date have signed agreements to take over animal damage control responsibilities?

Mr. GREENWALT. Only the State of Washington has chosen to take over the operational activities under our proposed grant-in-aid program. California and South Dakota have indicated an interest and could possibly sign an agreement during fiscal year 1977.

Senator STEVENS. How much of the \$9 million requested for animal damage control is expected to go to the States in the form of grants-in-aid?

Mr. GREENWALT. Assuming that only three States, Washington, California, and South Dakota, will take over operational ADC responsibilities, we anticipate spending a maximum \$900,000 of ADC funds for this purpose during fiscal year 1977. The actual amount provided each State would be adjusted to the need for control in the individual States with a maximum of 60 percent Federal participation.

#### BLACKBIRD CONTROL

Senator STEVENS. The problem of huge concentrations of blackbirds and related birds has been in the news more and more recently, and Congress has specifically authorized control programs for Kentucky and Tennessee. What funding is included in your budget for blackbird control, and how do you conduct that program?

Mr. GREENWALT. The blackbird and starling problem has been with us for a long time. We have been studying methods of control and working with these States to resolve problems associated with large roosting concentrations of birds, and depredations on field crops for many years. However, the concentrations of blackbirds and starlings at winter roosting sites, in close proximity with humans, has drawn an increasing amount of public concern during the last few years. We are working to develop methods to reduce bird populations at those sites where they create a health problem or other problems that cannot be resolved by simply moving the birds. During fiscal year 1976, excluding the transition quarter, we plan to spend approximately \$1.1 million for research and nonresearch aspects of the blackbird and starling problems.

We do not intend to become involved in operational programs to resolve these problems, but to develop control techniques through research and to make this information available through technical assistance to the States or localities needing assistance.

If it is the intent of Congress, as indicated by Public Law 94-207, that the Service play a greater role in the blackbird problem, it would require a significant increase in resources over our present capability. We not expend less than one man-year per State for ADC technical assistance in the eastern States where the major blackbird problems exist.

#### LURE CROPS

Senator STEVENS. Last year we discussed the inaugurating of a program to purchase crops in the pothole country of the Northern Tier States affected by migratory waterfowl. Where does that stand now?

Mr. GREENWALT. Through a series of meetings with the North Dakota congressional delegations and representatives of the Department of Agriculture, we developed an experimental program to evaluate the usefulness of purchasing some grain fields to use as lure crops to reduce waterfowl depredations by concentrating damage to specific fields. We have a signed agreement with USDA, ASCS and FCIC to cooperate on such a program over a 3-year period starting this past season. The estimated cost of the program is \$350,000 per year of which about \$30,000 would be used for evaluation and the remainder to purchase crops.

As far as waterfowl depredations in the northern States is concerned, last year was an exceptional year. The crop was harvested early and the waterfowl migration was delayed, due to warm weather, so that we did not experience the kinds of problems we usually have in those States. Consequently, we were not able to evaluate the program as planned.

#### FUNDING NEEDS NOT BUDGETED

Senator STEVENS. Is there anything in this budget to cover this program?

Mr. GREENWALT. Funding for the lure crop program is not included in the fiscal year 1977 budget.

Senator STEVENS. What are your funding needs and what is the timing involved for the current fiscal year?

Mr. GREENWALT. Since the program did not involve purchase of lure crops during this fiscal year, only a nominal amount was expended for planning. The upcoming crop year would fall within the transition quarter and require \$350,000 to cover planned costs and an equal amount for fiscal year 1977.

#### ALASKA NATIVE CLAIMS SETTLEMENT ACT

Senator STEVENS. What is this \$640,000 for the D-2 lands? What are you going to do with it this year, an additional \$640,000 for D-2 lands?

Mr. GREENWALT. This is money to be utilized in several ways in Alaska, Mr. Chairman, one of which is to continue our responsibility to monitor activities on D-2 lands under the provisions of the Claims Act.

We want to accelerate and enlarge our activities in terms of relationships with natives, particularly with those whose claims will affect existing refugees and to carry out activities specifically related to the Claims Act in Alaska.

## ALASKA NATIVE CLAIMS

Senator STEVENS. How much in total is committed to these studies?

Mr. GREENWALT. For all of these activities we propose a total budget of \$1,240,000 which includes the requested increase for this year.

Senator STEVENS. Will the level of funding you are requesting enable you to meet the deadline for Congressional decisions on proposed withdrawals?

Mr. GREENWALT. That level of funding will enable us to meet most of our anticipated commitments to assist the implementation process for fiscal year 1977. The present Congressional deadline is established in the act as December 18, 1978. We anticipate our studies and other activities during the next 2 years will be sufficient to meet Congressional needs for information and analysis of the proposals.

A great deal of work has been done since the act was passed in December 1971. Much more remains to be done but we are confident that, with the support of the Congress, we will meet the established deadlines.

Senator STEVENS. Have you any money in this budget for any salmon stream rehabilitation in Alaska?

Mr. GREENWALT. None of which I am aware. No, sir.

Senator STEVENS. Did you get the money I put in the budget last year that went to the Forest Service? Did they make that available to you, or did they do that directly? We did give them money for that.

Mr. GREENWALT. It must have been done directly by the Forest Service.

Senator STEVENS. Have you been studying barren streams in Alaska that did produce sometime in the past?

Mr. GREENWALT. Anadromous fish grants are being made to Alaska and other States. In this case there are projects such as in southeast Alaska, king salmon investigations; and Crystal Lake hatchery improvements.

Senator STEVENS. I am informed in the Indian and native areas in southeastern Alaska their family income last year averaged \$700. That minimum in the past was \$11,000 per family in the fishing areas.

The fishing was so bad that the villages in southeastern Alaska, are absolutely on the rocks. I just wondered whether you programmed any of the money that you have available.

You mentioned earlier that you had some 60 percent of that money, special money made available. Was any of that programmed in Alaska to take care of problems such as that? It is running over 20 percent now.

Mr. GREENWALT. Of the \$640,000, sir?

Senator STEVENS. No. What did we give you? That \$2.5 million we added.

Mr. GREENWALT. The Job Opportunity money?

Senator STEVENS. Did you put any of that to work in Alaska?

## KENAI NATIONAL MOOSE RANGE

Mr. GREENWALT. There was one project in Alaska, Mr. Chairman. I am sure, as you understand, under that act we were obliged to apply these dollars to own lands. We have a \$120,000 project at Kenai National Moose Range.

Senator STEVENS. The added funds were not usable in the anadromous fish program?

Mr. GREENWALT. No. These were labor intensive projects designed to employ people in reconstruction and rehabilitation.

Senator STEVENS. Have you allocated any more money to Kenai this year under this legislation?

Mr. GREENWALT. Not under the Job Opportunity Act. That expired.

Senator STEVENS. You would have some routine money here for Kenai, wouldn't you?

Mr. GREENWALT. Yes.

Senator STEVENS. Is that new visitors' center on this bill, or any portion of it?

Mr. GREENWALT. None for the visitors' center. There is an increase—which remains from the current fiscal year—of \$100,000 for Kenai. And Kenai for 1977—

Senator STEVENS. That's right, I did include some additional money in this last year. What is it this year?

Mr. GREENWALT. For this year, fiscal year 1976, about \$376,000. In 1977 we contemplate \$437,000.

Senator STEVENS. Did you use that special add-on for Kenai?

Mr. GREENWALT. Yes.

Senator STEVENS. What did you use it for?

Mr. GREENWALT. It was for the rehabilitation of habitat following the fire.

Senator STEVENS. Oh, yes. Is that all done now?

Mr. GREENWALT. No, sir. Far from it, as I understand.

Senator STEVENS. Could you give me a little statement for the record on how much is left to rehabilitate that?

Mr. GREENWALT. Yes, sir. This is continuing money that was made available in or for the current year and will remain there in that amount.

[The information follows:]

## STATEMENT CONCERNING WHAT IS NEEDED TO CONTINUE REHABILITATION OF KENAI HABITAT

Plans for rehabilitating Kenai habitat include:

1. Altering 2,000+ acres annually of mature trees by "chopping" with special heavy equipment;
2. Altering several thousand acres of mature forest through commercial timber harvest;
3. Altering several hundred acres of low-quality moose habitat through controlled burning;
4. Evaluating effects of these three methods of habitat alteration in terms of:
  - a. Immediate, short term and long term production of quality moose browse;
  - b. Comparative nutritive value of browse produced by different techniques;
  - c. Most economical techniques for effectively managing moose habitats on a large scale;
5. Experimenting with other habitat improvement ideas such as planting willows;
6. Evaluating effects of various habitat management measures on other wildlife native to the refuge.

We believe it is unwise to pursue large-scale habitat alteration efforts without carefully studying ecological effects. Management techniques which are useful for habitat management in the lower 48 states may not be suitable for Alaska. Extensive use of untested techniques may give later cause for regret when unexpected ecological effects become apparent, or certain wildlife species are adversely affected.

We would like to develop the most economical methods for habitat management. Mechanical alteration is very costly. Carefully planned controlled burning may be equally effective and much less expensive. Prescribed timber harvest may be the least costly management tool, and could, conceivably, even turn a profit.

The present funding for Kenai, which includes the \$100,000 add-on in FY 1976, is adequate to carry out the above effort. Evaluation of the present program is an especially important aspect.

#### ENDANGERED SPECIES GRANT REDUCTION

Senator STEVENS. The request for endangered species is \$9.1 million, down more than \$200,000 from 1976. We touched on this earlier, but what is the Service's specific objection to the State grants-in-aid program, which is zero in this request?

Mr. GREENWALT. Mr. Chairman, the Service has no objections to the Endangered Species grants-in-aid program. We believe, in fact, that the continuation of the State grants begun in fiscal year 1976 could be beneficial to State-managed endangered species programs.

As Mr. Reed stated earlier, the elimination of grants-in-aid funds from the fiscal year 1977 budget request is because the Administration is opposed to categorical grants.

#### STUDY INCREASE

Senator STEVENS. How much will the \$625,000 increase for endangered and threatened species' studies provide in total for that program, and what will it buy us?

Mr. GREENWALT. Mr. Chairman, the \$625,000 increase for status and listing in fiscal year 1977 will bring the total available for that function to just over \$1 million. At that level, the program will include technical workshops to screen out plant and animal species that need to be listed first; completion of status surveys, to be initiated or currently ongoing, on approximately 500 animals and 1,000 plants; accomplishment of the mechanics required for listing at least half of these as endangered or threatened; preparation of environmental impact assessments or, if necessary, environmental impact statements for species proposed for listing; identification and listing of critical habitat for many of the species now listed as well as some of those that will be added to either list during fiscal year 1977; provide biological recommendations as to whether or not some 400 section 10(a) permits should be granted; complete and publish a new, improved, and expanded edition of the Endangered and Threatened Species Red Book; prepare replies to well over 500 pieces of controlled mail; answering countless thousands of phone and letter inquiries about the status of species both listed and unlisted; and supplying information on the status of species that are on one of the three appendices to the convention.

For the most part, the \$625,000 increase will support the status surveys and listing work, as well as the determination and listing of critical habitats and publication of the new Endangered and Threatened Species Red Book, which I previously mentioned.

## INTERNATIONAL CONVENTION

Senator STEVENS. You are undoubtedly aware of public criticism over the failure of the United States to implement the International Convention agreement on trade in endangered species, and your \$500,000 request for this program is described in your own justification as "the minimum required to implement." Exactly what will you do with that \$500,000?

Mr. GREENWALT. Yes; I concede there has been some criticism on this matter. That is why I had a review conducted on the costs and manpower needed in fiscal year 1977 to establish and maintain a Federal Wildlife Permit Office. This study clearly indicates that the \$500,000 is a minimum funding level needed to initiate the implementation of the convention next fiscal year. The Federal Wildlife Permit Office's primary responsibility will be to insure implementation and continuing function of the convention, particularly those duties relating to the Management and Scientific Authorities. It will be responsible for issuing or denying permits under its direction, including import, export, re-export, interstate commerce, and endangered species. In addition, it will perform the procedural aspects and coordination required for listing or delisting wild fauna and flora species pursuant to both the Endangered Species Act of 1973 and the convention. I think once we get going on this, it will do much to allay some of the criticism that has been expressed.

Senator STEVENS. Your statement says the President is expected to sign an order in the next few weeks implementing U.S. participation in the convention. Where does that stand?

Mr. GREENWALT. Mr. Chairman, we foresee the order being signed by the President in approximately 6 to 8 weeks. Once the order leaves CEQ, which I understand is imminent, we expect the OMB review to take an additional 2 to 3 weeks; the Department of Justice clearance will take at least 2 weeks; and the President's review and signature approximately 2 to 3 weeks.

Senator STEVENS. The convention was ratified nearly 1 year ago. Why haven't you requested a supplemental appropriation or at least a reprogramming to get going on your responsibilities?

Mr. GREENWALT. The Fish and Wildlife Service did make a request for a \$500,000 amendment to the President's fiscal year 1976 budget in June 1975 to begin implementation of the convention. The House added \$500,000 to fiscal year 1976 budget for the same purpose in July 1975. Because of the House action, the Department felt that the Service's request for the supplemental was no longer necessary. The Senate, however, did not concur with the \$500,000 add-on, and the conference committee eliminated it.

At present, we have a complete implementation proposal which details the organizational structure, personnel requirements, and the management actions necessary to establish the new Federal Wildlife Permit Office which will be the vehicle for meeting the United States' Convention responsibilities.

## ADEQUACY OF ENDANGERED SPECIES BUDGET

Senator STEVENS. I think the Senate took the position, and rightfully so, that the Administration should be expected to face up to this responsibility and budget for it.

Of the total budget for endangered species, how much is for enforcement in both dollars and people?

Mr. GREENWALT. Mr. Chairman, the total endangered species budget request for fiscal year 1977 is \$9,198,000 and 190 positions. The enforcement portion of this total is \$2,259,600 and 75 positions.

Senator STEVENS. In your personal view, Mr. Greenwalt, do you think your endangered species budget is adequate to meet the responsibilities assigned to you by the Congress and by international agreements?

Mr. GREENWALT. Mr. Chairman, as you are aware, the Endangered Species Act of 1973, if fully implemented, charges us with an enormous task. With our present resources, we are able to carry out about one-fourth of what needs to be done, dealing only with the highest priority species. Carrying out an annual program with our present budget means that complete fulfillment of the purposes of the act, as we understand them, will stretch many more years into the future than would be the case with a higher level of funding. The end result will be increased costs as inflation continues and as ever-diminishing numbers of some endangered or threatened species have to be restored from much lower population levels. There will undoubtedly be species lost as a result of delays that might have been saved otherwise. To estimate numbers would be speculative.

Just recently we prepared an estimate of the cost of complete implementation of all sections of the Act at an optimum level through fiscal year 1981, requested by the Subcommittee on Fish and Wildlife Conservation and the Environment chaired by Congressman Leggett. Provided we were allowed much larger personnel ceilings, over the next five years, an optimum program would cost an estimated \$163 million, including \$45 million for State grant-in-aid, with an additional \$300 million needed for land acquisition and \$4.6 million for an Excess Foreign Currency program.

#### RECREATION FUNDING

Senator STEVENS. Aside from the \$200,000 transferred into interpretation and recreation from your refuge funding, there is no program increase. What funding did you originally request for this activity?

Mr. GREENWALT. Our original request was for an increase of \$1.9 million, of which \$1.7 million was to be used directly for operations on National Wildlife Refuges. The remaining funds were to be used for major rehabilitation projects.

Senator STEVENS. Please supply for the record the details of your original request, indicating wherever possible your priorities for additional funding.

Mr. GREENWALT. I will be pleased to.  
[The information follows:]

## STATEMENT CONCERNING RECREATIONAL FUNDING

Our original recreation funding request was for \$1,900,000 with \$1,700,000 to be allocated for operations and \$200,000 for major rehabilitation projects.

Of the \$1,700,000, new station funding amounted to \$100,000 with the remaining \$1,600,000 to be spent maintaining and improving existing environmentally compatible public use opportunities on National Wildlife Refuges. This would be in keeping with the objectives of this program for making refuge lands available for scientific studies, environmental education, interpretation, and recreation and to enhance the public's understanding of wildlife ecology and man's role in it.

The following table reflects anticipated spending based on the original request.

*Intpretation and recreation funding*

Sub-Activity	FY 1976 estimate	FY 1977 estimate	Change (+)
Dedicated areas .....	\$60,000	\$100,000	\$40,000
Youth Conservation Corps .....	150,000	188,000	38,000
Environmental education .....	600,000	797,000	197,000
Interpretation .....	2,020,000	2,545,000	525,000
Fish and Wildlife Information .....	1,330,000	1,630,000	300,000
Recreation .....	2,546,000	3,146,000	600,000
	\$6,706,000	\$8,406,000	\$1,700,000

## STEAMSHIP BERTRAND

Senator STEVENS. Mr. Greenwalt, you will recall that during passage of the 1976 Interior appropriation bill last session there was some discussion on the floor about the problem of preserving artifacts from the Steamship Bertrand. Senator Culver has a very strong interest in this matter. Where do we stand on this project?

Mr. GREENWALT. Within the past year, several positive steps have been taken to help insure the continued protection of the artifacts. We have made repairs to the roof and doors of the existing temporary steel storage facility housing the collection; the temperature and humidity control systems have been renovated; vermin control has been initiated on a continuing basis; a fire, smoke, and burglar alarm system has been installed; and steel cabinets for the storage of textile goods were purchased. In addition, steel shelving was purchased to replace the existing wood shelving and thus reduce the fire hazard.

At the present time we have one position assigned to the Bertrand project. Expenditures are approximately \$15,000 to \$20,000 annually.

Senator STEVENS. Senator Culver has suggested that at the very minimum the Fish and Wildlife Service should assign a couple of positions to the Bertrand program to provide some degree of protection and preservation. Can't you work out something within your current program funding?

Mr. GREENWALT. The interpretation and recreation program has received only minor funding increases in the past 2 years. These have been mostly to cover additional pay costs or to fund costs of new stations. Like many other programs, increases have been more than off-set by inflation. We are also confronted with several congressional mandates. For example, on June 11, 1974, the House Appropriations Subcommittee on Department of the Interior and Related Agencies directed the Service, "to continue to provide adequate recreation use where it is not inconsistent with wildlife protection."

In meeting this and other mandates with no significant increase in funds, the quality of our existing programs has suffered and the backlog of overdue facilities maintenance has grown.

To be perfectly frank, we cannot reprogram funds and manpower to the Bertrand without seriously affecting public use activities on other stations. Any reprogramming would probably also result in an overall reduction in program personnel. We cannot prudently propose such actions.

#### TOTAL COSTS OF STEAMSHIP BERTRAND

Senator STEVENS. What are we talking about in total with the Bertrand? Does the Service have any estimates of the total cost involved in this project?

Mr. GREENWALT. Yes, we do. First of all, we consider the absolute minimum needed is an additional \$50,000 annually above the current funding level. One position, that of a professional preserver, is also needed. This minimum plan would not allow for an expansion of public services or any advance planning, but it would permit us to increase our preservation, storage and documentation capability. A more comprehensive proposal, however, details a total project development plan.

Phase I of this plan calls for the planning and design of an energy efficient visitor center and storage-research facility. This would also include exhibits design and layout. We estimate the cost of this design work at \$125,000.

As part of phase I, we envision the need for five additional personnel in anticipation of phase II. These include a project leader responsible for directing research, conservation, analysis, evaluation, historic documentation and other processes necessary to insure the immediate preservation, protection and study of the artifacts. The project leader would be assisted by two preservers, one clerk and an interpretive specialist who would be responsible for developing public use programs and assisting the project leader in overall planning. The estimated annual cost of these activities is \$125,000.

Phase II is the actual construction of the facility, necessary utilities and the installation of exhibits. The facility would have several climatically controlled atmospheres to meet the preservation requirements of several different classes of artifacts as well as providing the opportunity to permanently protect these nationally significant artifacts.

The visitor center portion of the facility would provide interpretive and display areas to tell the story of the Bertrand, frontier life of that period and other appropriate stories and relationships. The estimated cost of this construction phase is \$1,827,000.

Phase III includes landscaping, parking and access and the purchase and installation of specialized equipment. Estimated cost of this phase is \$148,000 bringing the total construction costs to \$2,100,000.

With the completion of construction, it will be necessary to add three additional personnel. One position would be used to assist in operating the visitor center and one would be used to maintain exhibits in the visitor center, to develop and maintain a series of traveling exhibits and to develop and maintain specialized presentations in concert with the interpretive specialist and the project leader or curator.

In addition, a full-time position will be required to maintain the building and its specialized equipment. Total annual operating cost for the facility are estimated to be \$250,000.

#### ALTERNATIVE FUNDING SOURCES

Senator STEVENS. Isn't there some way to get some other Federal program money involved in this? Historic preservation is hardly the mission of the Fish and Wildlife Service.

Mr. GREENWALT. Not really. We have discussed our concern for the preservation and protection of the artifacts with several agencies with the hope of being able to enter into a cooperative agreement with them. Unfortunately, these agencies are also faced with fiscal and manpower constraints which preclude their assisting us. Also, Federal agencies cannot participate in existing grant programs for historic preservation.

Even though historic preservation is not the mission of the Fish and Wildlife Service, nevertheless, it is a responsibility that must be honored. Many acts, including the National Historic Preservation Act of 1966 and Executive Order 11593 which deals with the protection and enhancement of the cultural environment, have made this abundantly clear. The preservation and protection of our historic and cultural heritage is a responsibility of everyone and in particular Federal agencies. The Service has not been exempted from complying with these laws any more than other agencies have been exempted from complying with the Endangered Species Act. To accomplish any national objective, all agencies must work together and go beyond their primary mission.

#### ADMINISTRATION

Senator STEVENS. The 1977 request for administration is \$4.9 million, up slightly to cover only cost increases, we are told. We understand you are reducing positions under your administration activity by 24. Is that right?

Mr. GREENWALT. The reduction will take place through realignment of the regional staffs and by leaving vacant positions unfilled in the distributive account categories. The present associate regional director positions are being phased out in fiscal year 1977, which will account for six positions, and the remaining eighteen will accrue through retirements, resignations, and employees transferred from offices supported through distributive costs procedures. The positions were reported under the administration activity for identification purposes, but are actually paid from the distributive account.

Senator STEVENS. Why can't you show reduced administrative costs since you are reducing personnel by 10 percent?

Mr. GREENWALT. The administration activity will bear a proportionate share of the reduction, but only a very nominal amount. As I mentioned before, Senator, the reduction is largely in the distributive account, whereby the costs are spread proportionately throughout the program structure.

## AREA OFFICES

Senator STEVENS. Last year you proposed to the committee a reorganization of your regional and field system to establish area offices. Are you still pursuing that proposal?

Mr. GREENWALT. We have moved toward implementation of the reorganization as it affects our regional office structure and expect all occupants of the new assistant regional director positions to be in place no later than May 8, 1976. Many have already reported for duty. At the request of the chairman of the Senate Commerce Committee, Warren G. Magnuson, the establishment of area offices has been held in abeyance pending further study by members of his staff. We are hopeful that the study will be completed shortly so that we can move forward in the complete implementation of the reorganization plan.

Senator STEVENS. It is still difficult to understand how you would save money by creating still another administrative layer. Can you supply justified projections of the savings?

Mr. GREENWALT. There continues to be a misunderstanding, I believe, that the Service's area office concept creates an additional administrative layer within the organization. Without a study of the specific changes in organization at the regional level, I can see how this could be misunderstood. However, by restructuring positions at the regional level and reducing the number of positions in regional offices, we have eliminated excessive supervisory layers. The technical staff remaining in the regional office will, in effect, provide resource management expertise and assistance to the regional director. The regional director, alone, will have line supervision over area managers, and they in turn will direct and supervise field programs. This results in management decisions involving field programs taking place at a lower level in the organization and clearer, less complicated and fewer levels of supervisory controls.

It is a more efficient way to administer our broad field programs and will increase the Service's capability to be more responsive to needs of our field managers and our needs for closer relationships with States and the public we serve.

The staffs of the 13 new area offices, consisting of from five to seven full-time permanent positions, will be derived by corresponding decreases in regional office and headquarters staff. Salary savings, therefore, are not significant to the proposal. Our effort is to organize in a way which will provide maximum utilization of our resources and better management of our field operations and does not increase the over-all staffing.

Senator STEVENS. Please break down the estimated start-up costs of the area office system.

Mr. GREENWALT. Our estimate of start-up costs was \$634,000 based on an analysis in August 1975. This included \$134,000 for transfers to realign the regional offices and the Alaska area office, and \$500,000 to put the 13 new area offices in operation. That figure included travel and transportation, space rental, supplies, equipment and telephones. Salary costs were not included since the moves involve on-board employees. The costs would be spread over 2 fiscal years.

Senator STEVENS. Can you assure the committee that this new system would not result in more administrative positions at the expense of field positions?

Mr. GREENWALT. There is no question of this assurance. The emphasis in the reorganization plan is to streamline our organization structure in a manner to enhance and better serve the needs of the Service in its field programs.

#### DENVER AREA OFFICE

Senator STEVENS. Since the area office concept is being tried out in the Denver region, why don't you give us the figures for that operation, since it was established in 1972. Supply the dollars and personnel for Denver and the area offices for each year and state where they came from within your budget. I believe you have stated other regions affected by the boundary changes were able to reduce their costs.

Mr. GREENWALT. The Denver regional office was established in January 1972. There was a nucleus staff of three employees. Their function was to establish a pilot organization for the regional office and five area offices. The Washington office provided funds to support salaries and expenses. Our start-up costs in fiscal year 1972 were about \$110,000.

About mid-way in fiscal year 1973, the new regional office and the area offices formally assumed administration of field stations in the 10-State area making up the Denver region. Our end of year costs and manpower for that partial year of full operation were, I think, about \$1 million and 62 positions for the regional office, and \$350,000 and 15 positions for the area offices. This included costs of moving employees, setting up offices, and other first-time expenses.

By the beginning of fiscal year 1974, our staffing for the new regional office and its five area offices was basically completed. Due to changes in regional boundaries, the regional offices in Albuquerque, Portland, and Minneapolis no longer had responsibility for supervising many hatcheries, refuges, river basin study offices, and other field stations now located in the Denver region. Regional office supervisory staffs and managerial expenses in the existing regions were reduced accordingly and the savings transferred to the new Denver region. Also, some funds for this region were provided from the Washington office.

In fiscal year 1974, which was the first full year of operation, Denver regional office costs were, I believe, about \$2 million with 94 positions. The area office costs, including personnel headquartered in the area office city but not part of the area office management staff, ran \$1.8 million with 62 positions. We estimate the annual costs of the area office staffs alone will average about \$358,000, including salaries and office expenses.

In fiscal year 1975, the regional office and area office expenses were each about \$2.3 million. The regional office had 73 employees and the area offices 65. Part of the increase in costs between these 2 years reflects such things as higher GSA space costs and increased pay rates for employees, the kind of across-the-board increases funded by adjustments in our total appropriations. Also, some first-time moving costs continued to accrue in staffing these offices.

I want to point out, Senator Stevens, that the expenses for area offices I just cited are not, by any means, merely incremental supervisory or overhead costs. As I indicated earlier, area offices have served as headquarters locations for some personnel who have direct operational responsibilities for such functions as law enforcement, ecological services, land acquisition, or animal damage control. These folks had been previously stationed in or very near the designated area office city. With formal establishment of the area office, they were physically located in that office for increased operational effectiveness, convenience, and economy. They do not function as part of the area office management staff.

The area office staffs themselves range from five to seven positions at each location and are generally in lieu of staff positions which in our previous organization pattern would have been located at the regional office level.

#### STAFF AND FUNDING COMPARISONS

Senator STEVENS. How does the funding and staffing of the Denver Office compare with other regional offices of similar size and responsibility?

Mr. GREENWALT. Perhaps the region most closely comparable with the Denver region is the one headquartered in Atlanta with responsibility for nine southeastern States. It has 160 field stations and a complement of 529 permanent full-time employees. The regional office itself has 116 of these employees and costs \$2,848,000 to operate.

The Denver region, with ten States, 148 field stations, and 519 employees, utilizes 75 permanent, full-time employees in the regional office and costs \$2,378,000 to administer the regional office.

It is difficult to make a valid staffing and cost comparison because the internal organizational structure of the Denver office is unique among all of our regional offices.

One manifestation of this is that the Denver office has significantly fewer employees than a typical regional office, but a higher ratio of professional and supervisory types to clerical and technical employees. This is due partly to the fact that certain technical and support functions, such as realty and fishery services assistance, have been decentralized to area offices or field stations in the Denver region, but are centralized in other regional offices. It is partly due also to the fact that a portion of clerical and technical services in the personnel management and contracting and property management areas are provided the Denver region by the Albuquerque regional office. On balance, I would say the Denver office costs no more to administer than the traditionally organized regional office, but provides more effective, efficient, and responsive management control over our widely dispersed field stations.

#### CHANGES IN OBJECT CLASS ESTIMATES

Senator STEVENS. Since your 1977 budget proposes personnel reductions, why do you need increases of more than one-half million dollars each for travel and for transportation of things?

Mr. GREENWALT. The proposed personnel reductions would primarily affect positions that do not normally require travel expenditures

in performance of their duties. We anticipate an increase in contracting activity in fiscal year 1977. A greater degree of travel will be required by our professional personnel involved in these environmental studies to properly administer the contracts. The fiscal year 1977 estimates for travel more accurately reflect the impact of recent per diem and mileage rate increases. Continuation of expanded and new field studies related to the significant increase in our fiscal year 1976 budget will also require some additional travel costs in fiscal year 1977.

Our estimates for transportation costs include additional costs for support of the refuge rehabilitation program. We had an add-on of \$2.5 million for this purpose in fiscal year 1976 which is now part of our base. The nature of this program dictates a somewhat higher rate of expenditure for building supplies and materials, which increases the transportation costs. The estimates also reflect general industry-wide increases in transportation costs and some increased transportation costs for supplies and materials in support of over-all program increases in fiscal year 1977.

#### CHANGES IN OBJECT CLASS ESTIMATES

Senator STEVENS. Please explain the \$1.1 million reduction in equipment.

Mr. GREENWALT. Because of the projected personnel decreases in fiscal year 1977, our program increases will be contracted out to a large extent. By object class definition, equipment needs included in these contracts will be included in object class 25, Other Services. Thus, contractor costs would have to include any equipment purchases to account for all costs.

Senator STEVENS. How did you manage the \$347,000 reduction in rent, communications, and utilities? Most agencies need sizable cost increases in this object class.

Mr. GREENWALT. The anticipated costs of establishing proposed area offices influenced this object class sharply in fiscal year 1976. Rent of office space, telephone services, and utilities were expected to be substantially greater during the period of relocating employees and facilities. The refuge congressional add-on of \$2.5 million and the endangered species grant-in-add add-on of \$2 million were expected to effect higher use of communication facilities. The fiscal year 1976 estimate may be high if the reorganization proposal is extended into fiscal year 1977 or beyond; however, the estimate was predicated on the basis of these assumptions. The fiscal year 1977 estimate which includes GSA space costs, FTS and local telephone services, electricity, water and gas throughout the system is believed reasonable.

#### CONSTRUCTION AND ANADROMOUS FISH

Senator STEVENS. Let's go to your construction account. Now, in construction you are down to \$3.2 million from \$11 million. What have you eliminated? I think we ought to know what you asked for.

What did the Service ask for and what did the Department take to OMB? Where did we lose the construction money? And what was it that was considered to be priority?

Mr. GREENWALT. We have this in great detail. I will be pleased to provide it for the record.

Senator STEVENS. I would appreciate it if you would give it to us.

[The information follows:]

List of FY 1977 Projects and amounts by Priority Requested of the Department.

*Fish and wildlife service construction*

<i>Project</i>	<i>Amount (\$000)</i>
Complete Green Lake hatchery.....	\$1,600
Refuge support.....	2,200
Northern Prairie research center—rehab.....	465
Patuxent research center—rehab.....	1,170
Great Lakes vessels—upgrading.....	100
Complete national fish & wildlife health lab.....	3,500
Complete national fish R&D center.....	4,000
Complete national fish research lab.....	3,900
Continue construction—White River hatchery.....	2,235
Continue construction—Warm Springs hatchery.....	2,200
Continue construction—Makah hatchery.....	3,056
Continue construction—Allegheny hatchery.....	475
Western fish disease lab—expansion.....	90
Continue construction—San Marcos hatchery.....	1,005
Continue construction—Wolf Creek hatchery.....	846
Southeast fish cultural lab—rehab.....	110
Quilcene hatchery—rehab.....	200
Construction—national fish & wildlife research lab.....	200
Pollution abatement—hatcheries.....	500
Total.....	27,852

List of Projects and Amounts by Priority Requested of OMB:

Complete Green Lake hatchery, Maine.....	\$1,600
Northern Prairie research center, N. Dak.—rehab.....	490
Patuxent research center, Md.—rehab.....	45
Great Lakes vessels—upgrading, Mich.....	100
Hawaiian Island refuge, Hawaii.....	390
Attwater refuge, Texas.....	110
Columbia refuge, Wash.....	50
Ridgefield refuge, Wash.....	70
Horicon refuge, Wis.....	144
Sabine refuge, Louisiana.....	92
Mackay Island refuge, N. Car.....	120
Hillside refuge, Miss.....	60
Eastern Neck refuge, Md.....	80
Squaw Creek refuge, Mo.....	84
National Elk refuge, Wyo.....	100
Aleutian Islands refuge, Alaska <sup>a</sup> .....	100
Yukon Delta refuge, Alaska <sup>a</sup> .....	479
Coastal refuge, Alaska <sup>a</sup> .....	66
Selawik refuge, Alaska <sup>a</sup> .....	55
Total.....	4,235

<sup>a</sup> Legislation authorizing acquisition not yet enacted.

FACILITIES CONSTRUCTION DEFERRED

Senator STEVENS. I am particularly interested to hear of \$1.6 million to complete the Green Lake hatchery. It is the only facility requested in this.

What other facilities were deleted?

Mr. GREENWALT. The La Crosse, Wis., fisheries research lab; San Marcos, Tex., fish hatchery; the Makah fish hatchery in Washington; White River hatchery in Vermont; Allegheny fish hatchery in Pennsylvania.

Senator STEVENS. Are any of those under construction?

Mr. GREENWALT. All of them are in one stage of construction or another.

Senator STEVENS. The theory is you are going to stretch them out?

Mr. GREENWALT. This is the only alternative we have at this juncture.

Senator STEVENS. I would like to have some estimate of what is going to increase the cost if we stretch them out. Can you give us that?

Mr. GREENWALT. I think we can with reasonable accuracy. Yes, sir.

[The information follows:]

#### CONSTRUCTION AND ANADROMOUS FISH CONSTRUCTION

##### STATEMENT CONCERNING STRETCH OUT OF CURRENT CONSTRUCTION PROJECTS

The following analysis deals *only* with cost comparisons of our completing Fisheries Resources physical facilities presently under construction using a single appropriation vs. spreading the period over 16 years at an average appropriation of 2 million dollars per year which has been the approximate historical amount for Fisheries Resources. The completion schedule reflects the most logical breakdown for an annual appropriation of this size.

The percentage increase in cost of construction spread over a period of years vs. a single year appropriation is 70.7%, derived as follows:

Projected Long Range Cost .....	\$31,775,000
One time cost (not including San Marcos) .....	— 18,618,000
Difference .....	13,157,000
Difference \$13,157,000 = 70.7% increase.	
One time cost \$18,618,000	

Data Start FY-78  
For Limit of \$2,000,000 Program

Data For FY-77

Station	Total Cost	Funds To Date	Funds To Complete	No. of FY's Before Complete	Total Funds To Complete	Cost of 10%/yr. Inflation between FY-77 Data and Completion
Green Lake	6,292,000	6,292,000	0	0	0	0
Makah	9,540,000	2,822,000	6,718,000	16	14,364,000	7,646,000
Warm Springs	5,832,000	4,132,000	1,700,000	6	2,005,000	305,000
White River	5,548,000	2,548,000	3,000,000	8	3,997,000	997,000
Wolf Creek	3,174,000	1,274,000	1,900,000	14	5,038,000	3,138,000
San Marcos <sup>2/</sup> (lowest priority)	4,646,000	1,146,000	3,500,000	(over 26)	(over) (18,000,000)	(would not be economical to complete)
Allegheny	2,443,000	1,743,000	700,000	10	1,407,000	707,000
LaCrosse Lab	8,940,000	2,840,000	4,600,000 <sup>1/</sup>	3	4,964,000	364,000
Totals	40,123,000	16,505,000	22,118,000 <sup>1/3/</sup>	-	31,775,000 <sup>1/</sup>	13,157,000 <sup>1/</sup>

<sup>1/</sup> Does not include LaCrosse Information Center.

<sup>2/</sup> Not included in FY-78 and beyond.

<sup>3/</sup> Includes San Marcos.

Senator STEVENS. Have you marshalled your funds toward those where you can get the highest return for current construction investment, in your opinion?

Mr. GREENWALT. The funds for Green Lake will virtually complete that hatchery in one effort.

Senator STEVENS. Is there one underway in Nevada?

Mr. GREENWALT. No. None.

#### LAHONTAN HATCHERY

Senator STEVENS. Lahontan, is that finished?

Mr. GREENWALT. Yes.

Senator STEVENS. I certainly wouldn't want to see anything happen to that. Our good friend and predecessor, Senator Bible started that. I don't want that in any way slowed down.

Secretary REED. That, sir, was a very key one that was involved in that Indian water rights decision out there involving Pyramid Lake. With that hatchery I think the famous Lahontan cutthroat trout is now out of danger and the great fishery which attracts so many people to the Indian reservation will continue.

It is a magnificent fish. When I was a kid that was one of the great trips of my life. The ability to fish on that Indian reservation great excitement.

#### SOUTHEASTERN ALASKA FISHERY

Senator STEVENS. I am extremely disturbed about the fishery that used to exist in the inside passage of Southeastern Alaska that supported a sizable number of population. It is down to a small number now, the State decreed that even sports fishermen could only catch one fish a day, or three fish possession last year. That compares to 10 just two years ago.

The reasons for that, as I said before, are foreign policy reasons. But the impact right now is being felt mostly by those native people.

If there is anything at all that your Service can do to assist in that area, it would certainly be appreciated. It is one of the most pressing problems the government faces.

Mr. GREENWALT. We will examine this and do everything we can. I am aware of that general problem that is prevalent throughout Alaska, particularly with increased fisheries. But I will see if we can look at some of these specific ones and offer some assistance somewhere along the line.

Senator STEVENS. They tell me with some incubator money to put the incubators in some of those streams, which is labor intensive for a year or maybe two, by the fourth year we may be getting some returns back.

But they need some labor intensive projects because the fish are not going to be there again this year. We know that.

#### CONSTRUCTION AND REHABILITATION

Senator STEVENS. You were able this year to get nearly \$1 million in your budget for what I am told is badly needed rehabilitation of wildlife refuge facilities. What is the total estimated backlog in that area?

Mr. GREENWALT. A recent inventory of rehabilitation needs in the refuge system reveals a backlog of approximately \$70.1 million. The majority of this backlog consists of major rehabilitation projects which are projects costing over \$60,000, and which should be funded under the Construction and Anadromous Fish Appropriation. The total backlog of major rehabilitation in the refuge system is \$46.3 million. Of this total, \$30.5 million is for our migratory birds program, \$3.6 million is for mammals and nonmigratory birds, \$1.9 million is for endangered species, and \$10.3 million is for the interpretation and recreation program.

Concerning minor rehabilitation, the total backlog in the refuge system is \$23.8 million. Minor rehabilitation projects are those costing \$60,000 or less and which should be funded under the resource management appropriation. The breakout by fish and wildlife service program for the minor rehabilitation backlog is \$13.7 million for migratory birds, \$2.7 million for mammals and nonmigratory birds, \$1.0 million for endangered species, and \$6.4 million for the interpretation and recreation program.

The major and minor rehabilitation together totals \$70.1 million.

Senator STEVENS. Please supply for the record, in order of priority, the refuge rehabilitation projects you would fund if an additional \$5 million were available to you in fiscal year 1977.

Mr. GREENWALT. I will be pleased to.

[The information follows:]

## FISH AND WILDLIFE SERVICE

Resource Management  
and  
Construction and Anadromous Fish

Statement Concerning Rehabilitation Projects within the National Wildlife Refuge System.

Following are two priority-ranked lists of rehabilitation projects within the National Wildlife Refuge System. The first list includes minor rehabilitation costing \$60,000 or less. Program totals for this list are as follows:

Wildlife Resources	
Migratory Birds	\$1,800,000
Mammals & Non-Migratory Birds	149,000
Endangered Species	278,000
Interpretation and Recreation	495,000
	Total
	<u>\$2,722,000</u>

The second list includes major rehabilitation costing more than \$60,000. Program totals for this list are as follows:

Wildlife Resources	
Migratory Birds	\$2,071,000
Mammals & Non-Migratory Birds	0
Endangered Species	146,000
Interpretation and Recreation	157,000
	Total
	<u>\$2,374,000</u>

National Wildlife Refuge System  
Minor Rehabilitation Projects

<u>Refuge/State</u>	<u>Program</u>	<u>Project</u>	<u>Purpose</u>	<u>Amount (Thous.)</u>
1. Sacramento, CA	MB	26.2 Canal	Water delivery to water-fowl food fields	45.0
2. Okefenokee, GA	MB	Kingfisher landing water supply	Safety-domestic water supply	7.0
3. Eastern Neck, MD	SE	Delmarva Peninsula fox squirrel management	Improve habitat	6.0
4. Klamath Basin, CA	MB	Unit 4 Dike	Marsh management for waterfowl maintenance	40.0
5. Havasu, AZ	SE	Topock Marsh	Yuma Clapper Rail habitat	40.0
6. Agassiz, MN	MB	Service building	Operational effectiveness	40.0
7. Attwater Prairie Chicken, TX	SE	Fencing	Protect prairie chicken habitat	54.0
8. Minidoka, ID	MB	Storage building	Equipment protection from theft	5.0
9. Havasu, AZ	MB	Irrigation tow-lines	Goose food production	20.0
10. DeSoto IA	MB	Shoreline erosion control	Improve refuge operations	18.0
11. Kenai, AK	IR	Pollution abatement	Meet pollution standards	14.0
12. Minidoka, ID	MB	Dike units 1 and 2	Marsh management for water-fowl maintenance	4.0

<u>Refuge/State</u>	<u>Program</u>	<u>Project</u>	<u>Purpose</u>	<u>Amount (Thous.)</u>
13. Benton Lake, MT	MB	Dike Rehabilitation	Improve refuge operations	21.0
14. Toppenish, WA	MB	Beehive Dike	Marsh management for waterfowl maintenance	16.0
15. St. Vincent, FL	MNB	Barge & Inboard Boat Replacement	Improved refuge operations	19.0
16. Erie, PA	MB	Grassland Rehab.	Habitat improvement	5.0
17. Alamosa, CO	MB	Rehab. Irrigation structures	Improve waterfowl use and production	30.0
18. Aransas, TX	SE	Boat channel	Whooping crane enforcement	60.0
19. Mark Twain, IL	MB	Service roads	Operational effectiveness	16.0
20. Valentine, NE	MB	Lake renovation	Increase waterfowl use and production	10.0
21. Klamath Basin, CA	MB	Tractor replacement	Farming for waterfowl food	40.0
22. Mingo, MO	MB	Dump Truck	Improve refuge operations	9.0
23. Ruby Lake, NV	MB	Storage building	Equipment storage to prevent theft	35.0
24. Tamarac, MN	MB	Road-grader replacement	Road maintenance	50.0
25. Tamarac, MN	MB	Chippewa control structure	Wild Rice production	20.0

<u>Refuge/State</u>	<u>Program</u>	<u>Project</u>	<u>Purpose</u>	<u>Amount (Thous.)</u>
26. Parker River, MA	IR	New Refuge gatehouse	Improve refuge operations	8.0
27. Noxubee, MS	MNB	Crawler tractor and transport truck	Improved refuge operations	30.0
28. Montezuma, NY	IR	Trail Rehab.	Improve I&R Program	2.0
29. San Bernard, TX	MB	Fence repair	Snow goose food	23.0
30. Nat'l Key Deer, FL	SE	Boat - T - Craft	Improved security and enforcement	10.0
31. Chassahowitzka, FL	MB	Equipment replacement	Improved refuge operations	5.0
32. J. Clark Salyer, ND	MB	Fencing	Grazing control-improve waterfowl production	30.0
33. Nisqually, WA	MB	Equipment replacement	Waterfowl food production	37.0
34. Kenai, AK	IR	Hiking trail rehab.	Improve safety and quality of I&R Program	42.0
35. Wichita Mtns, OK	MNB	Fencing	Big game control	25.0
36. Agassiz, MN	MB	Employee quarters	Repair to FWS standards	60.0
37. William L. Finley, OR	MB	Cattail Pond Dike	Waterfowl wintering habitat	42.0
38. Agassiz, MN	MB	Radio communications	Operational effectiveness	4.0
39. Agassiz, MN	MB	Domestic water system	Repair to FWS standards	30.0

<u>Refuge/State</u>	<u>Program</u>	<u>Project</u>	<u>Purpose</u>	<u>Amount (Thous.)</u>
40. William L. Finley, OR	IR	Public use facilities	Public safety and control	41.0
41. Las Vegas, NM	MB	Irrigation ditch	Waterfowl food production	30.0
42. Agassiz, MN	MB	Kelly pool dike	Waterfowl maintenance	20.0
43. Anahuac, TX	MB	Equipment	Waterfowl dike maintenance	21.0
44. Parker River, MA	IR	Rehab. parking lots	Improve refuge operations	20.0
45. Grays Lake, ID	MB	Fencing	Control trespass to protect habitat	56.0
46. Agassiz, MN	MB	Oil shed replacement	Storage of flammables	12.0
47. Agassiz, MN	MB	Ditch rehabilitation	Waterfowl maintenance	16.0
48. Maxwell, NM	MB	Irrigation ditch	Waterfowl food production	30.0
49. Okefenokee, GA	IR	Visitor Center Area structures	Improved refuge operations and I&R facilities	16.0
50. Agassiz, MN	MB	Fire equipment	Forest protection	59.0
51. Agassiz, MN	MB	Tractor-trailer	Operational effectiveness	40.0
52. Missisquoi, VT	MB	Rehav. barge & barge slip	Improve operations of "Island" portion of refuge	6.0
53. Back Bay, VA	MB	Replace dump truck	Improve refuge operations	32.0
54. Havasu, AZ	IR	Fencing	Control public trespass	22.0
55. Tishomingo, OK	MB	Equipment replacement	Waterfowl food production	28.0

<u>Refuge/State</u>	<u>Program</u>	<u>Project</u>	<u>Purpose</u>	<u>Amount (Thous.)</u>
56. Salt Plains, OK	MB	Flood control levees	Goose food production	25.0
57. Wichita Mtns., OK	MNB	Cache Gate Road	Operational effectiveness	40.0
58. Bitter Lake, MN	MB	Water control structure	Waterfowl habitat	6.0
59. Attwater Prairie Chicken, TX	SE	Water control structure	Prairie Chicken habitat	28.0
60. Savannah, SC&GA	IR	Resurface wildlife observation drive	Improve I&R and Refuge Operations	34.0
61. Kofa Game Range, AZ	MB	Rock tanks	Retain water for use by migratory birds	30.0
62. Cabeza Prieta, AZ	MNB	Water catchment tanks	Wildlife watering holes	20.0
63. Valentine, NB	SE	Northern Greater Prairie Chicken habitat	Improve habitat	47.0
64. Devils Lake WMD, ND	MB	Residence replacement	Improve refuge operations	50.0
65. Ravalli, MT	MB	Rehab D7 tractor	Repair flood damage and improve refuge operation	10.0
66. Minnesota Wetland Complex, MN	MB	Marsh shoreline	Waterfowl production	40.0
67. Back Bay, VA	MB	Jeep replacement	Improve Refuge operations	10.0
68. Minnesota Wetlands Complex, MN	MB	Building site cleanup	Visitor safety	15.0

<u>Refuge/State</u>	<u>Program</u>	<u>Project</u>	<u>Purpose</u>	<u>Amount (Thous.)</u>
69. Valentine, NB	MB	Renovation of Pelican Lake	Increase waterfowl use and production	17.0
70. Waubay, SD	MB	Water management - WPA Tract 186	Increase waterfowl production	15.0
71. Union Slough, IA	MB	Restore North Dike and D-2 Dike	Improve waterfowl habitat	8.0
72. UL Bend, MT	MB	Island construction and drain cleanout	Increase waterfowl production	5.0
73. Des Lacs, ND	MB	Fence rehab	Improve and protect waterfowl nesting habitat	10.0
74. Kulm WMD, ND	MB	Vehicle replacement	WPA management	6.0
75. J.N. "Ding" Darling, FL	MB	Rehab refuge office on Lighthouse Unit	Scheduled to be restored as museum	8.0
76. Cross Creeks, TN	MB	Rehab dikes on pool 8	Repair damage from annual flooding - improve waterfowl maintenance	6.0
77. Sand Lake, SD	MB	Boundary fencing	Improve 40-year old fencing	49.0
78. Chassahowitzka, FL	MB	Equipment replacement - Airboat	Improve refuge operation	7.0
79. Mattamuskeet, NC	MB	Warehouse removal & replacement	Improve refuge operations & Waterfowl maintenance	18.0
80. Imperial, AZ	MB	Irrigation ditch	Waterfowl food crops	20.0
81. Brazoria, TX	MB	Salt Lake structure	Waterfowl maintenance	35.0

<u>Refuge/State</u>	<u>Program</u>	<u>Project</u>	<u>Purpose</u>	<u>Amount (Thous.)</u>
82. Cedar Island, NC	MB	Boat Rehabilitation	Improve overall refuge operations	6.0
83. Brazoria, TX	MB	Salt lake dike	Waterfowl maintenance	30.0
84. Eufaula, AL	MB	Rehab goose pen pump	Prevent loss of goose pen pond & upland impoundments	8.0
85. Carolina Sandhills, SC	MNB	Replace tractor & mower	Refuge maintenance	15.0
86. Upper Mississippi, MN	IR	Boat Landings	Public access	49.0
87. Mattamuskeet, NC	MB	Rehabilitate Marsh Impoundment #3	Improve waterfowl production & maintenance	23.0
88. Aransas, TX	SE	Cattail control	Alligator habitat	13.0
89. Upper Mississippi, MN	IR	Recreational facilities	Visitor services	17.0
90. Choctaw, AL	MB	Work center rehab.	Improve refuge operations	3.0
91. Hagerman, TX	MB	Equipment repair	Operational effectiveness	10.0
92. Loxahatchee, FL	SE	Repair compartment B&C dikes	Improve everglade kite habitat	12.0
93. Havasu, AZ	MB	Water supply canals	Marsh management	35.0
94. Wichita Mountains, OK	IR	Vehicle replacement	Operational effectiveness	40.0
95. San Bernard, TX	MB	Truck replacement	Operational effectiveness	5.0
96. Mark Twain, IL	IR	Signs	Public Information	6.0

<u>Refuge/State</u>	<u>Program</u>	<u>Project</u>	<u>Purpose</u>	<u>Amount (Thous.)</u>
97. Crab Orchard, IL	MB	Warehouse repair	Operational effectiveness	4.0
98. Rice Lake, MN	MB	Storage buildings	Equipment storage	30.0
99. Necedah, WI	MB	Goose nesting Islands	Goose production	20.0
100. Deer Flat, ID	IR	Fencing	Public control	50.0
101. Grays Lake, ID	MB	Fence repair	Control grazing trespass	41.0
102. Ruby Lake, NV	MB	Equipment replacement	Marsh renovation	30.0
103. McNary, WA	MB	Farm equipment	Waterfowl food	27.0
104. McNary, WA	MB	Irrigation equipment	Waterfowl food	41.0
105. Toppenish, WA	MB	Wiring & sewer	To meet standards	17.0
106. Back Bay, VA	MB	Residence #1 Rehab	Improve refuge operations	50.0
107. Mackay Island, NC&VA	IR	Rehab Knotts Island Causeway Tower	Improve Safety	14.0
108. Erie, PA	MB	Rehab shop	Improve refuge operations	10.0
109. Target Rock, NY	IR	Rehab Environmental Center	Improve refuge I&R program	20.0
110. Missisquoi, VT	MB	Repair Cranberry/Dead Creek water control structure.	Improve waterfowl main- tenance & production	8.0
111. Fisherman Island, VA	SE	Replace vehicle	Improve operations	8.0

<u>Refuge/State</u>	<u>Program</u>	<u>Project</u>	<u>Purpose</u>	<u>Amount (Thous.)</u>
112. Blackwater, MD	IR	Rehab. trails	Upgrade quality of I&R programs	40.0
113. Brigantine, NJ	IR	Rehab Old Coast Guard Station - Little Beach	I&R Program & historical interest	5.0
114. Parker River, MA	IR	Rehab Thacher Island Lighthouse	Restore Registered National historical landmark	55.0
			TOTAL	2,722.0

## MAJOR REHABILITATION PROJECTS

<u>Refuge/State</u>	<u>Program</u>	<u>Project</u>	<u>Purpose</u>	<u>Amount (Thous.)</u>
1. Lower Columbia River Complex, WA	MB	Dikes and Canals	Waterfowl habitat	100.0
2. Dismal Swamp, VA	MB	Control Structures	Waterfowl habitat	223.0
3. Sacramento, CA	MB	Canal No. 26.2	Irrigation for waterfowl food	390.0
4. Noxubee, MS	MB	Rehab. of Bluff & Loak- foma Lake levees	Improved Operations	240.0
5. Okfenokee, GA	MB	Residences - Shop	Replace substandard facilities at Camp Cornelia (residences, shop service bldg. utilities.	300.0
6. Okfenokee, GA	MB	Heavy equipment	Dike maintenance and repair	100.0
7. Crab Orchard, IL	MB	Water filtration plant	Industrial water supply	250.0
8. Sheldon-Hart Mtn., OR	MB	Equipment replacement	Improved operations	113.0
9. Cross Creeks, TN	MB	Rehab. of Dikes-S	Habitat & protection of migratory waterfowl	175.0
10. Loxahatchee, FL	SE	Dragline replacement	Dike maintenance	146.0
11. Upper Souris, ND	MB	Fence rehab.	Basic habitat protection & control of grazing	180.0
12. Kenai, AK	IR	Recreational facilities	Public safety and accommodations	157.0
			TOTAL	2,374.0

## CONSTRUCTION OBLIGATIONS

Senator STEVENS. At the end of fiscal year 1975 you had an unobligated balance of \$7.3 million but no such balance projected for the end of 1976. Is that estimate still valid?

Mr. GREENWALT. The estimate is not valid now that we know the actual appropriation amount for construction. When the table was prepared, we had only the carryover figure and what was in the President's budget to work with, and this was approximately \$10 million. Past experiences, and assuming we would have the funds appropriated by September 1975, led us to believe we could have obligated all the funds available.

As we have mentioned previously we now know our total funds available for fiscal year 1976 are approximately \$21 million, and even though we had a late appropriation, the new engineering center will be in a much more favorable position to strive for a 50-percent obligation with an estimated \$10 million carryover in fiscal year 1977 than we could have counted on if we were managing our engineering offices for construction out of six regional offices.

## TRAVEL RELATED TO CONSTRUCTION

Senator STEVENS. In a sharply reduced construction program, why do you need a \$70,000 increase for travel?

Mr. GREENWALT. At the time the table was prepared to show this information we projected our estimates on the basis of past experience being repeated. The \$70,000 includes both anadromous fish and construction, of which \$55,000 is for construction. We knew our carryover of \$6.8 million for fiscal year 1976 was running at approximately the same rate as in the past few fiscal years; so we estimated it would be the same for fiscal year 1977. This would then indicate total funds available in fiscal year 1977 of approximately \$6.8 million plus \$4.2 million for a total of \$11 million for continuation of existing and new projects. In addition, we were not sure of ceiling allocations and believed that in fiscal year 1977 we could complete the transfer and hiring of new employees to complete the staffing of the new engineering center. We also knew, by past experience, that there could be add-ons to the construction appropriation of an amount at least equal to our request.

We then analyzed our past construction costs in terms of the costs our six regional offices incurred in carrying out this program and estimated what it would be in managing this work for our central engineering office in Denver—and that is how we arrived at our increase.

As it has now been determined, we were able to staff the engineering center to 80 percent this fiscal year, and have little chance for obtaining the remaining ceilings needed in fiscal year 1977. But, the add-ons to the construction appropriation in fiscal year 1976 were \$11 million, not the \$4 million we projected, and due to the lateness in receiving the appropriations we must project a \$10 million plus carryover into fiscal year 1977.

## ADDITIONAL QUESTIONS

Senator STEVENS. Gentlemen, that is a vote. I appreciate very much your participation today in this hearing. The staff will give you some additional questions that have been prepared. Please answer them for the record.

[The questions and answers follow:]

## QUESTIONS SUBMITTED BY SENATOR MCGEE

## ACCELERATED PREDATOR CONTROL PROGRAM AND M-44 USAGE

*Question.* It is noted in testimony that the Fish and Wildlife Service is engaging in an accelerated predator control program which will peak this coming Spring and Summer. Please explain this program in detail. To what extent is the M-44 cyanide device being used? What counties, if any, in Wyoming are earmarked for M-44 utilization?

*Answer.* The accelerated animal damage control program was implemented in September, 1975 in accordance with the President's initiative. This was done to better protect livestock (sheep, cattle, and goats) with the objective of providing the increased assistance through:

- (1) Additional aerial hunting
- (2) Increased temporary personnel
- (3) Field usage of the M-44
- (4) Research into the use of sodium cyanide in the toxic collar.

The initial thrust was through distribution of the \$1.7 million held for State grand-aid programs, into our current ADC operational program and funding from EPA for sodium cyanide toxic collar research.

The Environmental Protection Agency made available \$300,000 for research on sodium cyanide and two other toxicants for predator control. Initial field testing of the sodium cyanide toxic collar has been completed with disappointing results. Further testing of modified versions of the collar using other chemicals is scheduled.

During FY 1976 and the transition quarter the USDA has made available to the U.S. Fish and Wildlife Service by agreement dated December 23, 1975 an amount of \$1.4 million to be used in the conduct of the Service's ADC program. These funds will be used to implement the President's initiative to provide increased protection of livestock in the Western States from wildlife depredations. The funds are being used through the Service's operational program to expand operations and provide an evaluation in the following categories:

1. Evaluate and develop new control methods—

- (a) To develop a standardized data gathering system to supplement the Service's ongoing ADC research program and to support research conducted by the USDA-ERS through providing data on predator control efforts, coyote population dynamics, numbers of livestock protected, etc. (\$403,000);<sup>1</sup>
- (b) Conduct of an experimental program in the use of the M-44 to protect livestock (\$297,000);<sup>1</sup>
- (c) Evaluation and development of aerial hunting program and modifications of the use of aircraft to resolve livestock depredations (\$700,000);<sup>1</sup>

We estimate that no less than a total of \$130,800 of the USDA funds available during the 3rd and 4th quarter of FY 1976 will be used in the ADC program in the State of Wyoming.

Efforts have already begun through an accelerated aerial hunting program and additional part-time employment of field personnel. During the months of September–December 1975, the amount of aerial hunting hours increased by 24 percent compared to the identical period in 1974.

<sup>1</sup> Estimate of USDA funding by category: distribution of these funds are not completed as of this date.

## Accelerated funding for livestock protection

	Region 1	Region 2	Region 6
FWS funds work planned for livestock protection	<sup>2</sup> \$1,285,000	<sup>2</sup> \$1,132,000	<sup>2</sup> \$1,395,000
Environmental Protection Agency funds for sodium cyanide research	300,000		
USDA funds (two-thirds of \$1.4 million) less remaining one-third or \$466,000 held for transition quarter	275,000	329,000	330,000

The above funds do not include the Service's proposal to reprogram \$570,000 from within the Wildlife Resources Activity to be used to implement the President's initiative program.

The M-44 device will be used under the provisions of Executive Order 11870, July 18, 1975, on an experimental basis, where it is effective in controlling depredations under the provisions of the EPA registration of November 3, 1975. The authorization under Executive Order 11870 expires on July 18, 1976. Present use of the M-44 device determined on the requests received and in livestock areas that have historical problems of predation.

<sup>2</sup> Includes \$1.7 million held for State grant-in-aid programs.

In Wyoming, the M-44 device can be used in all counties that have a cooperative program with the Service, along with the approval of responsible land manager or land owner. In addition, all M-44's will be used in concurrence with the November 3, 1975 registration by EPA and the Presidential Executive Order 11870 of July, 1975. The judgment of the individual District Field Assistants will be relied on as to where the M-44 should be used; Counties with no cooperative agreement included Campbell, Carbon, Converse, and Johnson.

## POSITION REDUCTIONS IN WYOMING

*Question.* I note that there are 76 position reductions slated for the Fish and Wildlife Service for FY 1977. How will these reductions affect Fish and Wildlife Service activities in Wyoming? Will there be any staff reductions in my State?

*Answer.* There are 18 position reductions scheduled for FY 1977 in the Animal Damage Control Program. At the present time we have not completed specific planning as to where these position reductions will occur. It is unlikely, however, that this reduction in ceilings can occur without affecting the animal damage control staff in the State of Wyoming. There are presently nine full-time ceilings in Wyoming. It is very likely that some staff reduction will occur in Wyoming although at the present time, we cannot say exactly how many nor can we state positively that reductions will occur in Wyoming.

## ALLOCATION OF ENERGY RESEARCH FUNDS IN WYOMING.

*Question.* According to testimony, due to staff reductions, certain research and maintenance activities will be contracted outside of the Fish and Wildlife Service. What contractual agreements exists between the Service and the University of Wyoming? What arrangements are contemplated?

*Answer.* The Fish and Wildlife Service is working with the faculty and staff of the University of Wyoming in the fields of terrestrial ecosystems, economics, and the assessment of environmental impacts of energy development. The discussions have not yet resulted in a formal contract agreements with the University of Wyoming. Several faculty members of the University and State officials have participated in Fish and Wildlife Service Conferences, which are being held to define research priorities, and a professor of economics has been selected as an official consultant to aid in further development of a major project thrust related to wildlife and fisheries values. The Fish and Wildlife Service anticipates that the discussions will continue to be fruitful and will lead to agreements with participating institutions during the fiscal year.

*Question.* Explain the Fish and Wildlife Research Program as it relates to habitat and wildlife impacted by coal and other energy development in the West and Wyoming in particular. What findings have been produced to-date related to impactment of wildlife and habitat in my state?

*Answer.* During the fiscal year, the Fish and Wildlife Service has established an interdisciplinary team in Fort Collins, Colorado, to deal primarily with the impacts of western energy development on fish and wildlife resources and their habitat. This team is actively working with State agencies, universities, and private organizations to understand and minimize these impacts.

The western states, including the State of Wyoming, have been invited to participate in several major proposed projects. Three current FWS studies relate directly to the

potential impact of coal development in Wyoming and adjacent western states. Two are relatively new, and findings are of a preliminary nature. The third study is essentially completed and the final report is being prepared.

The Denver Wildlife Research Center study, "Effects of coal extraction and related developments on wildlife populations" began in 1974.

A study by the South Dakota Cooperative Wildlife Research Unit began in the fall of 1975. It is entitled, "Impact of energy development on the wildlife of Campbell County, Wyoming, and Harding County, South Dakota." Initial results are expected in the fall of 1976.

A study of the small mammal populations of the Piceance Basin, Colorado, has been recently completed. This study relates to potential effects of oil shale development. Baseline population techniques were developed and refined. Much of the information is applicable to oil shale development in Wyoming.

#### STEEL LEG-HOLD TRAP USAGE

*Question.* Apparently, some public support has been generated for the abolition of the steel leg-hold trap. Is the Fish and Wildlife Service attempting to determine alternative devices? if so, please provide a detailed statement of this program.

*Answer.* The steel leg-hold trap is a vital control tool for the Service's Animal Damage Control Program. At this point, there is simply no effective "across-the-board" substitute for the steel leg-hold trap. In FY 1975, 37.9 percent of all target animals removed were by steel leg-hold traps. We are attempting to make the steel leg-hold trap more humane and more selective. The use of tranquilizer tabs on trap jaws, to immobilize the animal, is being field tested in Texas. The Service has developed off-set trap jaws and is currently using them in the operational program. Tension springs are being used to reduce nontarget animals taken; other tension control devices, which are also dependent upon the weight of the animal, have been used. The above devices and techniques are an attempt, in part, to make the steel leg-hold trap more humane and more selective in our Animal Damage Control Program.

#### QUESTIONS SUBMITTED BY SENATOR FONG

##### ENDANGERED AND THREATENED PLANTS

*Question.* When does the Fish and Wildlife Service anticipate publishing its proposed list?

*Answer.* We have reviewed the Smithsonian Institution's "Report on Threatened and Endangered Plants of the United States" as well as other information and have prepared a list of approximately 1700 vascular plant taxa native to the United States (including, but not limited to, those found in Hawaii) which we plan to propose placing on the "List of Endangered Plants" within the next month or so.

*Question.* I understand that in response to an inquiry from the Hawaii State Department of Land and Natural Resources, the Fish and Wildlife Service in a letter dated February 5, 1976, informed the State that some of the data supporting the list prepared by the Smithsonian Institution was available from the Institution but was not available from the Service. Is this correct?

*Answer.* This essentially is correct, but to place it in the proper context one must understand the relationship between the report prepared by the Smithsonian and the procedures which will be followed by the Service in determining whether those plants qualify as "Endangered or Threatened Species" as provided for by the Endangered Species Act of 1973.

The Act itself, in Section 12, authorized the Secretary of the Smithsonian Institution to "... review (1) species of plants which are now or may become endangered or threatened and (2) methods of adequately conserving such species, and to report to Congress, within one year after the date of the enactment of this Act, the results of such review ...". This the Smithsonian did and submitted their findings to the Congress as a "Report on Endangered and Threatened Plant Species of the United States" which was printed for the use of the Committee on Merchant Marine and Fisheries and is cited as "House Document No. 94-51, Serial No. 94-A." The Service views that Report as the findings and recommendations of an eminently qualified Institution concerning the status of the plants named therein. We have so stated in a "Notice" published in the Federal Register dated July 1, 1975, FR 40(127,V):27823-27924. In that Notice we advised that we consider the Smithsonian's Report to be a "petition" as provided for by Section 4(c)(2) of the Act and have determined that it constitutes "substantial evidence" which, in our judgment warrants a review of the status of the plants.

The actual data, consisting of index cards, scientific publications, reprints, correspondence, etc., constitutes a rather significant amount of paper and information compiled by scientists of the Smithsonian Institution. These data are on file at the Smithsonian, and I presume access to those files are subject to whatever policies and regulations that Institution follows in making such data available to persons who wish or have need to review them. My scientists, to date, have a good working relationship with the scientists at the Smithsonian and have been given access to those data we need.

On the other hand, the Service does not have in our offices a duplicate set of those files nor have we yet seen need for such. The amount of work involved in copying, setting up duplicative files and attempting to maintain the current status of two set does not, at this point in time, appear necessary or desirable.

The Notice we published in the Federal Register was intended to advise all interested parties that we had received the Smithsonian Report, considered it to be a serious report submitted by highly qualified persons and were initiating the formal steps set forth in the Endangered Species Act to determine which of those species qualified under the Act for placement on the list.

In direct answer to your question: yes we have been advising persons that access to the raw information supportive of the Smithsonian's Report should be addressed to that Institution. We do not have this material physically located within our office and, due to the amount of copying, duplication, etc., required, have seen no need to do so.

*Question.* If the Fish and Wildlife Service is to review the Smithsonian's list of endangered plant species and make its recommendations for additions to the threatened or endangered list of plant species, why is information not available within your agency?

*Answer.* As I explained in answer to your previous question, we have received the Smithsonian's Report, we do have access to the data they used in compiling that report and simply have not seen fit to duplicate those files. The information is available; we simply do not have the stacks of paper in our file cabinets.

*Question.* I have been informed of the State of Hawaii's concern over the extensive nature of the list of endangered plant species prepared by the Smithsonian Institution. It is the State's perception, apparently, that the Fish and Wildlife Service is using the Smithsonian list as the primary basis for promulgating the proposed additions to the list of threatened or endangered species and further that this being the case, the State must bear the burden of proof that plant species named in the Smithsonian list are not in fact threatened or endangered. The State has protested this role and has indicated to me that this presents an unfair requirement of them. The State believes that a plant species should not be listed as threatened or endangered unless it has been shown with the burden of proof that it indeed is. The fact that the Fish and Wildlife Service does not have much of the supporting documentation on the Smithsonian list would indicate that this requirement has not been made of that group.

*Answer.* I think some of the concern being expressed by individuals in the State of Hawaii stems in part from their lack of understanding concerning the procedures we use in determining whether a species is threatened or endangered. We don't view this procedure as being an adversary type situation where one side is required to prove or disprove. Rather our interpretation of Section 4 of the Act is such that the Department, upon receipt of substantial information from knowledgeable persons, is required to initiate a series of procedural steps intended to alert all interested parties and to give them an opportunity to provide any data or other input they wish. In the case of the Hawaiian plants at question, the Service has received the opinion of knowledgeable persons that a number of floral taxa found in the wild in that State appear to qualify for the "threatened or endangered" classifications provided by the Act. The Service now is initiating the procedural steps to insure that all parties have their opportunity to provide any input they wish before we make a final determination of which of those plants do in fact qualify.

We do not expect anyone to attempt to "disprove" or "prove" whether any plant is threatened or endangered. Rather we are convinced that we have received serious opinions of highly qualified persons and, when we publish a formal proposed rulemaking in the Federal Register, which we intend to do soon, we will so advise all interested parties and provide them an additional opportunity to provide formal comments on any of the taxa about which they are knowledgeable. It then will be our task to evaluate any such comments and, based on the best information available to us—as required by the Act—make the determination of whether those taxa qualify for placement on the list.

We are not asking the State to "prove" anything. We are instead advising them of the Smithsonian's opinion and providing them—as well as any other interested party—an opportunity to provide any information which would either support or challenge that opinion.

I think we can agree to dismiss, out of hand, any inference that the Smithsonian's nominations are in any way frivolous. If so, then the only question left concerning these plants would center around nominations based upon incomplete information. It's our sincere hope that any such information will be "smoked out" during the comment period which will be provided following publication of our Proposed Rulemaking.

If information to the contrary does not exist, then it appears logical that the plant does, as suggested by the Smithsonian, qualify for placement on the list of threatened or endangered species.

I might just mention here if, in the unlikely event, a plant were to be erroneously classified as endangered, that such classification is not an irrevocable action. If such an unlikely event were to occur and as soon as information indicating the action was an error came to light, the Service immediately could—and I assure you would—take action to correct the situation. We are in no way "locked in" to any determination. We feel the Act has been written in such a manner that expeditious, responsible action can be taken to move any species either on or off the list based upon the best information available at a given point in time.

#### ROLE OF SMITHSONIAN INSTITUTION

*Question.* Would you comment on the basis in law which delineates the role of the Smithsonian in determining additions to the endangered plant species list.

*Answer.* The original charge given the Smithsonian by the Act is found in Section 12. That Section reads as follows "The Secretary of the Smithsonian Institution, in conjunction with other affected agencies, is authorized and directed to review (1) species of plants which are now or may become endangered or threatened and (2) methods of adequately conserving such species, and to report to Congress, within one year after the date of the enactment of this Act, the results of such review including recommendations for new legislation or the amendment of existing legislation."

In addition, we would expect the Smithsonian which has among its staff and contacts some of the more knowledgeable people in the world on this subject to continue to maintain an interest in advising of additional species which may be threatened or endangered or, conversely and as new information or improved conditions come about—those which should be removed from the list.

In short, we look upon the Smithsonian as a highly respected, scientific institution with a nucleus of highly qualified persons who have an interest in the matter we're dealing with and look upon them as a continuing source of information and opinions.

*Question.* Please comment on the State of Hawaii's perception that species on the Smithsonian list are accepted as endangered unless proof to the contrary is presented.

*Answer.* As I indicated earlier, we do not look upon this as an adversary situation in which one side or the other is required to prove anything. Rather the Smithsonian has done a great deal of inquiry into the matter, has rendered what we consider to be a carefully considered opinion on the status of these plants and, unless there is information to the contrary of which their scientists were unaware, we would consider their opinion sufficient to proceed with the determination that these plants are either Threatened or Endangered.

On the other hand, if any person, including but not limited to the State of Hawaii, has information to the contrary, we certainly plan aggressively to seek that information and will use the best data available when our final determinations are made.

I might note here that if we were to err in questionable cases, it would be more prudent to err on the side of the plant. If we make a mistake and inadvertently add a species to the list which does not really belong there, that mistake is correctable and that species can be removed as soon as the situation is made known to us. On the other hand, if we do not add a species to the list which truly deserves to be there, it's quite likely that the species may become extinct before that situation can be fully brought to light. Extinction is permanent and that situation of course would be irreconcilable.

*Question.* If this is so, please comment to the State's objection that this presents an unfair burden on them.

*Answer.* As indicated above, I do not feel this is correct nor do I agree we are placing an "unfair burden" on Hawaii or any other State. I agree fully that the State should be the governmental entity primarily charged with the conservation of their wild flora and fauna. However, it's obvious, particularly for some of the lesser known forms such as those which become involved with the Endangered Species Act, that many States simply have not had the time, resources, or for other reasons, have not adequately catalogued the status of these species. In many cases, information available to the scientific community or to amateurs may be more complete and accu-

rate than that available to some State agencies, particularly where invertebrates, plants, and some of the so-called non-game species are concerned. The Act requires—rightfully so—that we seek advice and guidance from these groups as well as the States. However, we have no intention of proceeding with the determination that any species, plant, or animal is Threatened or Endangered until the State has been given a fully adequate opportunity to comment.

In direct answer to your question, I do not feel we're placing the burden of proof on any State but rather are making sure that any State has an opportunity to provide any information it wishes.

#### CRITICAL HABITAT

*Question.* What programs does the Fish and Wildlife Service administer which provide for the maintenance and protection of critical habitat? Specifically, how do these programs aid in fire protection, noxious weed control, and insect and disease control?

*Answer.* Although no critical habitat has been designated yet, each Federal agency, including the Fish and Wildlife Service, will be responsible for maintenance and protection of critical habitat owned by that agency. Section 7 of the Endangered Species Act gives the Service no authority to manage or protect critical habitat on State or private land (unless a mutual agreement is worked out) except when alteration is threatened by Federal action or alteration. Fire protection or weed or insect control on Federal lands would be carried out only in the interest of the Endangered or Threatened species that might occupy the critical habitat. For a Federal agency to carry out any of these actions to the detriment of the species would be a violation of Section 7.

*Question.* As you know, a disproportionately large number of endangered species occur in the State of Hawaii. What efforts and at what levels is the Fish and Wildlife Service engaged in protection of the critical habitats of the endangered species of Hawaii?

*Answer.* As yet, no critical habitat has been officially designated in Hawaii as required by Section 7 of the Endangered Species Act. However, the Fish and Wildlife Service has been engaged in fee acquisition of endangered water bird habitat since 1972. To date 1,135 acres have been purchased. These areas will undoubtedly be among those ultimately named as critical habitat. In addition, other areas that will likely qualify as critical habitat are receiving a degree of protection as a result of being in public ownership under some other agency.

#### IMPACT OF ENDANGERED SPECIES ACT ON PRIVATE LANDOWNERS IN HAWAII

*Question.* I am informed that the implementation of the Endangered Species Act may have significant impact on private landowners in Hawaii. What efforts are being undertaken by the Fish and Wildlife Service to inform these private landowners of the ramifications of the Act?

*Answer.* I am sure that the Endangered Species Act may occasionally have an effect on a private landowner, but I doubt that as many will be negatively affected nor will that effect be as significant as the question implies. Of course, where we find critical habitat on private land, we will be seeking ways to protect that habitat from destruction or alteration. On one hand, we may seek assurances from the landowner that he too is interested in the protection of the species that lives on his land and will protect the critical habitat. On the other hand, we may seek to pay the landowner for an exclusive easement or for fee title to the land involved. For the most part, our contacts with private landowners to inform them about critical habitat and the Act have been concerning proposed acquisition of land that may some day be designated critical habitat.

#### ELIMINATION OF ENDANGERED SPECIES GRANTS-IN-AID

*Question.* Re Endangered Species. FWS proposes a net decrease of \$269,000, and a specific \$2 million decrease from eliminating the grant-in-aid assistance to the States for endangered species protection in that Act (16 U.S.C. 1535d). At the Oversight Hearings on the administration of the Endangered Species Act held by the House Subcommittee on Fisheries and Wildlife Conservation and the Environment, much testimony was given on the need for achieving the intended purpose of the Act vis-a-vis State-Federal cooperative agreements and the importance of Federal Funding assistance to the States to achieve them. To date no cooperative agreements have been signed. In light of State, private and even the Fish and Wildlife Service's own testimony on these needs at the Oversight Hearings, how can you justify this proposed action never to fund these State efforts as intended by Congress?

Answer. We feel that we can persuade States to carry on with 100 percent State funding work begun in FY 1976 with grant-in-aid funds. States may also carry on endangered species work with grant funds under the Pittman-Robertson and Dingell-Johnson programs administered by the Service. Latitude with Dingell-Johnson funds, however, is not as great for endangered species as with Pittman-Robertson funds. As you know, this Administration does not favor categorical grants.

QUESTIONS SUBMITTED BY SENATOR HRUSKA

FUNDING FOR THE STEAMBOAT BERTRAND IN FY 1977

*Question.* As you know, we have had a bit of a problem at the DeSoto Wildlife Refuge which borders on Nebraska and Iowa on the Missouri River. The artifacts from the Steamship Bertrand, which is located on the Refuge, are in bad need of a storage and display area. Last year we tried to appropriate some money for this purpose but were unsuccessful. How much is in the Fish and Wildlife budget for FY 1977 for the Bertrand?

Answer. No additional funds were requested in FY 1977 specifically for the Bertrand. The project will continue to be funded at the current level; that is, about \$15,000 to \$20,000 annually.

*Question.* What is this money going to be used for?

Answer. This money will be used to support one position in an effort to provide very limited standby protection and preservation of the artifacts and to provide limited public information relative to the Bertrand.

*Question.* In your opinion, will any of the artifacts have to be moved from the DeSoto Bend site because they are in danger of deteriorating?

Answer. There are no immediate plans for removing any of the artifacts from DeSoto Bend. It must be recognized, however, that without proper storage and preservation facilities, deterioration of the artifacts may occur. If this happens, consideration will be given to moving them to adequate facilities in order to prevent them from being lost forever. Our primary concern is for the continued preservation and protection of the artifacts and we will work with the respective states and other agencies in achieving this objective.

*Question.* If the Congress could provide money beyond the budget request, what is your capability for the coming fiscal year for the Bertrand?

Answer. We see several possible funding levels that could be formulated and initiated in FY 1977. For example, to go beyond the present standby effort and to increase our preservation, storage and documentation capability would require a minimum of \$50,000 above the current funding level. This would not permit any expansion of public services or advance planning. We could achieve this objective with no problem. We do, however, envision a more comprehensive planning and development project.

The total development plan can be accomplished in two phases—planning and construction.

Phase I calls for the planning and design of an energy efficient visitor center and storage-research facility. This would also include exhibits design and layout. We estimate the cost of this design work at \$125,000. This could be accomplished within the coming fiscal year.

As part of Phase I, we envision the need for 5 additional personnel in anticipation of Phase II. These include a project leader responsible for directing research, conservation, analysis, evaluation, historic documentation and other processes necessary to ensure the immediate preservation, protection and study of the artifacts. The project leader would be assisted by 2 preservers, 1 clerk and an interpretive specialist who would be responsible for developing public use programs and assisting the project leader in overall planning. The estimated annual cost of these activities is \$125,000. Again, this could be accomplished during the coming fiscal year.

Phase II is the actual construction of the facility, necessary utilities and the installation of exhibits. This phase would logically fall in FY 1978.

The facility being constructed would have several climatically controlled atmospheres to meet the preservation requirements of several different classes of artifacts as well as providing the opportunity to permanently protect these nationally significant artifacts.

The visitor center portion of the facility would provide interpretive and display areas to tell the story of the Bertrand, frontier life of that period and other appropriate stories and relationships. Estimated cost of construction is \$2,100,000. Some funding and manpower for the operation and maintenance of the facility will be required in FY 1978 with full year funding occurring in FY 1979.

## SUBCOMMITTEE RECESS

Senator STEVENS. Thank you for your courtesy. The subcommittee will stand in recess until 10 a.m., February 24th, when we will hear the estimates of the Bureau of Mines.

[Whereupon, at 12:05 p.m., Thursday, February 19, the subcommittee was recessed, to reconvene at 10 a.m., Tuesday, February 24.]



**DEPARTMENT OF THE INTERIOR AND RELATED  
AGENCIES APPROPRIATIONS FOR FISCAL YEAR  
1977**

WEDNESDAY, FEBRUARY 25, 1976

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, Stevens, Young and Inouye.

**DEPARTMENT OF THE INTERIOR**

**MINING ENFORCEMENT AND SAFETY ADMINISTRATION**

**STATEMENTS OF:**

**DR. WILLIAM FISHER, ASSISTANT SECRETARY, ENERGY AND  
MINERALS, DEPARTMENT OF THE INTERIOR**

**ROBERT E. BARRETT, ADMINISTRATOR, MINING ENFORCE-  
MENT AND SAFETY ADMINISTRATION**

**ACCOMPANIED BY:**

**JOHN W. CRAWFORD, ASSISTANT ADMINISTRATOR, COAL  
MINE HEALTH AND SAFETY**

**ARTHUR P. NELSON, ASSISTANT ADMINISTRATOR, METAL AND  
NONMETAL MINE HEALTH AND SAFETY**

**DR. MICHAEL G. ZABETAKIS, SUPERINTENDENT, NATIONAL  
MINE HEALTH AND SAFETY ACADEMY**

**GILBERT O. LOCKWOOD, ASSISTANT ADMINISTRATOR, PLANS,  
ASSESSMENTS AND MANAGEMENT**

**RICHARD L. BAKER, CHIEF, DIVISION OF BUDGET AND  
FINANCE**

**WILLIAM BETTENBERG, DEPUTY DIRECTOR OF BUDGET, OF-  
FICE OF THE SECRETARY**

**BUDGET REQUEST**

Senator BYRD. The subcommittee will come to order. This is the time set to hear the fiscal 1977 budget estimates of the Mining Enforcement and Safety Administration. They total \$90.1 million, which is an increase of \$10.6 million over appropriations to date for the current year.

The justification has been printed in part 1 of the hearings. We would hear, first of all, Dr. Fisher.

Dr. Fisher, you have a prepared statement. You may read it or you may highlight it and introduce your associates at the table.

STATEMENT OF DR. FISHER

Dr. FISHER. Thank you, Mr. Chairman. I will make a few brief comments. I am pleased to be here this morning with three of the important bureaus that report to the Assistant Secretary—Energy and Minerals in the Department of Interior, the Geological Survey, the Bureau of Mines and the Mining Enforcement and Safety Administration.

Because of a previous commitment to testify before the Subcommittee on Interior and Insular Affairs, Dr. McKelvey and Dr. Falkie are not yet with us, but they will be here shortly. We do have at this time Mr. Robert E. Barrett, Administrator of MESA.

Mr. Chairman, with your permission I shall make my own brief remarks and then introduce Mr. Barrett for discussion of the MESA budget. Then I would like to extend my remarks a bit further as the directors of the Geological Survey and Bureau of Mines come forward.

MESA is an indispensable member of the integrated Department of Interior program in mining. The enforcement of provisions of the Federal Coal Mine Health and Safety Act of 1969 and the Federal Metal and Nonmetallic Mine Safety Act have been an entrusted interest to the Department of Interior ever since the passage of these acts.

In 1973 the Secretary sought to clearly delineate the separation of enforcement functions in the mines from other Interior programs aimed at developing mineral resources by transferring these health and safety functions to the newly-created Mining Enforcement and Safety Administration.

Like any other new agency, MESA has had its problems. However, things have improved and they continue to improve. Part of the improvement can be credited to the careful attention to the health and safety of the miners, which this committee and other committees of both houses have given to MESA.

Part of the credit can be given to the solid backing that Secretary of Interior Kleppe has given to MESA, and part of the credit can be placed right where it belongs, on the shoulders of Bob Barrett, who is in his first year of operation as the Administrator of MESA.

Mr. Chairman, during the long and careful search for a new Administrator to lead MESA, members of these committees told us again and again, "Give us a man with some mining experience."

I am pleased to report that we have an Administrator in Bob Barrett who has mine experience, and who has spent most of his professional life in and out of the mines.

I have had several discussions with him. He has a wealth of innovative ideas that I think will lead to a very efficient operation and management of MESA, and to further the goals we have in improving the health and safety of the miners of this country.

At this time I would like to ask Bob to make a few brief comments relative to the MESA budget.

PREPARED STATEMENT

Senator BYRD. Mr. Barrett, please proceed. We will insert your prepared statement in the record at this point.

[The statement follows:]

Mr. Chairman:

I appreciate this opportunity, my first as Administrator of the Mining Enforcement and Safety Administration, to appear before you and members of your Committee, to present MESA's program plans for fiscal year 1977 and to review with you our current activities and accomplishments.

Before getting into the budget details, I would like to briefly highlight my background and health and safety philosophy. I am a fourth generation miner. Prior to becoming a career Federal employee in 1964, I was a mine worker for 16 years. Since that time I have been a coal mine inspector spending my later years as a subdistrict and district manager with program and supervision responsibility over more than 300 inspection and support personnel. Coupled with this mining experience is an education in public affairs and management.

I have a great commitment to the health and safety of the miner. I have developed a deep personal involvement. I know firsthand the miners' needs and their problems and have pledged my efforts and the resources that this Committee approves toward helping our Nation's miners realize the safest, most healthful environment possible. Workers, operators, and Government must unite to meet our increased demand for energy and minerals while at the same time decreasing the hazards to the mine worker's health and safety.

More important, however, than my background is the background leading up to the budget request we present to you today. Although Federal efforts to promote mine health and safety extend back to 1910, a strong, active enforcement role was not played by Government until after the passage of the Federal Coal Mine Health and Safety Act of 1969 and the Federal Metal and Nonmetallic Mine Safety Act. Enforcement personnel went from about 300 in 1969 to nearly 3,000 today.

In 1973, enforcement of these two acts was transferred from the Bureau of Mines to the Mining Enforcement and Safety Administration (MESA) to avoid possible conflicts of interest between mine health and safety enforcement programs and other bureau programs aimed at furthering the development and conservation of mineral resources.

During these transitional years, MESA has had to grapple with serious difficulties such as the lack of administrative support services, comprehensive planning and programming capabilities and staffing problems. One enforcement tool, the assessment of civil penalties for violations of the Coal Act had been blunted by an adverse Federal court decision in the spring of 1973. Regulations, promulgated under both Acts, were being enforced, but there was an acute awareness that the effects of several rules needed detailed evaluation and that the time was ripe for developing new regulations and strengthening existing rules.

I am pleased to be speaking for this agency, which while meeting these transitional challenges, was also able to step up its activities to carry out more fully its legislative responsibilities in mine health and safety through enforcement, education and training, and technical support programs. These programs have clearly brought about measurable improvements in on-the-job health and safety conditions for some 400,000 American miners.

For fiscal year 1977 MESA is requesting \$90,148,000. This constitutes a program increase of approximately \$6,500,000. It will allow for approximately 300 new positions to be added to the MESA work force. The budget justification document itself goes into considerable detail on the programmatic allocation of these fundings and additional personnel. I would like to summarize some of these increases and how they will affect MESA's 1977 program.

Before getting into some of the specific budget requests, I would like to discuss with you a matter which Congressman Yates recently described as "a confrontation over the last few years on health and safety research." In fact, in another hearing only a couple of weeks ago, a member of the House asked me specifically whether or not, or why MESA did not request research funding in its 1977 budget. Certainly, there has been a difference of opinion over whether mine health and safety research funding should be solely the responsibility of the Mining Enforcement and Safety Administration or Bureau of Mines, or a joint responsibility between the two bureaus. One of the first acts that I participated in as Administrator of MESA was to formalize a memorandum of agreement with Dr. Falkie of the Bureau of Mines which clearly establishes the joint responsibility shared by MESA and the Bureau of Mines in this important area. I am satisfied that the arrangements now established are equitable and will provide an appropriate means for assuring that long-range research needs for mine health and safety can be met and satisfied.

#### Coal Mine Health and Safety

The primary objectives of the coal mine inspection program are to eliminate fatalities and reduce the frequency and severity of accidents as well as to minimize health hazards in the coal mining industry. The Act requires that a minimum of four complete health and safety inspections be made yearly in each underground mine and in addition, one spot inspection at each hazardous mine shall be made every five working days and as many additional inspections as necessary to assure compliance. Although the Act does not specify the number of inspections for surface mines, MESA requires at least three complete health and safety inspections each year.

One of our most successful programs has been in accident prevention. This program provides that an inspector will be placed full time in any underground mine operation employing more than 150 workers and having an accident frequency rate higher than the national average for underground mines. The program was first implemented and directed at those mines employing 200 men or more and because of its success has been expanded to cover 150-man mines as well. Not only has the disabling injury rate decreased but also the fatal injury frequency rate.

It is the continuation of this program of accident prevention, where I feel we can make the most dramatic improvements in years to come. We use experienced enforcement personnel in this program to assist operators in identifying and correcting health and safety deficiencies. These individuals work freely throughout the mine offering assistance, on-the-spot training and providing accident prevention advice as required and needed. In short, they tailor accident prevention programs to the needs of a particular mine and can be more responsive to the needs of the individual miner. I propose to continue and strengthen this program in FY 1977.

MESA's assessment system has been subjected to criticism, studies, and numerous audits since its inception in 1970. Specifically, GAO audits, Department of Interior audits, and internal MESA reviews have pointed out areas requiring improvements and changes in policies and practices. As a result of these studies and implementation of their suggestions, we now have a viable and working assessment program. Since August 1, 1974, over \$14 million of civil penalties have been collected. In all the prior years, 1970 through August 1974, less than half that amount was collected.

The state grant program provided under the Coal Mine Health and Safety Act authorizes the Secretary of the Interior to make grants to coal producing states, not to exceed 80 percent of the amount expended by the state, to assist in their own coal related programs. Since the passage of the Act, we have been able to provide funding to 12 major coal producing states. Although the state grant program has an authorization of \$5 million, we have only been funded at the \$1 million level for the past several years. This has not caused serious problems to date since most of the state programs have been in a start-up posture. Although state demands have increased, we will, hopefully, be able to continue through the current fiscal year and in FY 1977 without any adverse affects to the state programs.

#### Metal and Nonmetal Mine Health and Safety

The Federal Metal and Nonmetallic Mine Safety Act, by definition, encompasses nearly 15,000 currently active and approximately 4,000 intermittently operated mining and milling operations. MESA has made significant progress in identifying conditions and practices contributing to the disabling injuries and occupational illnesses in the industry. Considerable effort has been devoted to the development of health and safety standards as a basis of preventing the occurrence of these injuries and illnesses. Injuries and fatalities in the metal and nonmetal industry are showing a downward trend. Certainly, these downward trends are a direct reflection of the increased number of authorized inspectors provided in the last two or three years. Even so, we cannot become complacent with an improved record and ignore the need for continued and diligent inspection efforts in this large industry.

At the present time, MESA has only one inspector for each 50 mining operations. We have, however, over the last two or three years been able to increase the number of visits to mines and in fact increase the number of mines that we actually visit. The increased funding and personnel requested for the metal and nonmetal program will provide a means for a continued effort to close this gap.

We also plan a comprehensive health inspection program which will provide a bi-yearly survey with enforcement of standards at approximately 600 targeted metal and nonmetal mining operations. This program will provide a higher degree of worker protection than is currently possible against exposure to dust, radiation, and noise hazards at these targeted operations.

We are proposing that a special accident prevention program for metal and nonmetal be conducted on a limited basis in fiscal year 1977. We will direct our efforts to about 25 selected mining operations. These operations will include mines having higher

accident frequency rates and higher total numbers of accidents as compared to the rest of the industry. For instance, 20 of the underground mines initially included in this group of operations had an overall disabling frequency rate nearly twice the industry average for underground mines. The program goal is to bring the injury frequency rates of these selected operations down to at least the existing industry average. This request will provide us the staffing to permit an inspector to be at the mine from 75 to 90 days during the year. I am confident that this program will provide the means for even greater decreases in the injury and fatality rates now recorded in the metal and nonmetallic mining industry.

The fatality and injury rates in the metal/nonmetallic industry continue to fall. In calendar year 1975, the preliminary total of 121 fatalities was the lowest on record, a 23 percent reduction from the previous year. Similar improvements in disabling injuries have also been recorded.

#### Education and Training

It is in this area, education and training, that I see one of the greatest challenges and opportunities for MESA to make its most significant strides in improving the health and safety conditions in the mines of today and of the future. The National Mine Health and Safety Academy, about to open in Beckley, West Virginia, gives us a special opportunity to meet these challenges.

Earlier this month, I visited the Academy, and viewed the construction in progress. I could not help but to be awed by the facility and the potential that it offers. More than any other single physical object, the Academy's buildings demonstrate to me personally the magnitude of my job, the challenges facing me, and the genuine opportunities for success that it presents. I am convinced that education and training is the key for bringing greater improvements to mine health and safety. We must accept the challenge of not only citing violations, keeping statistics on fatalities and injuries, and carrying out other enforcement responsibilities, but we must also find ways for changing attitudes. We need to change our own attitude from one of a strictly enforcement function to one where we offer enlightenment and educational opportunities in better and more profitable operations to improve health and safety procedures or practices. We must provide industry leaders the opportunity to recognize that it is a fact that the most profitable and productive operations are those where the employees have the safest and most healthy conditions under which they work. Finally, and equally important, the mine worker himself needs to recognize his responsibility in identifying and avoiding unsafe and unhealthy work practices.

The Academy is continuing to move ahead in its transition period. The initial program had been headquartered in rented facilities in Beckley and is now being phased out. We have accepted the first portion, the classroom area, of the Academy and it is presently being outfitted for the first class next month. The rest of the Academy will be completed over the next three months becoming fully operational next fall.

The Academy will be open, not only for MESA personnel, but for safety officials from industry, safety committeemen representing labor and other safety organizations, both government and nongovernment.

We have even had requests from other nations for participation in our Academy programs. These non-MESA people will be accepted at the Academy on a space available basis and will be charged for any room and board expenses.

MESA's training centers, located throughout the country, will continue their operations of providing non-classroom, on-site training assistance. The training centers afford us the capability to take our education and training to the mine community and mine locations. Our training centers work very closely with the inspection forces. They provide training personnel to aid the industry in establishing their own accident prevention programs for new miners as well as old-time or experienced miners. For small mine operations, our training center personnel will continue to provide training opportunities in centralized locations throughout the mining communities. My experience in the industry, as an inspector and as an enforcement professional, has demonstrated to me that we have the best opportunities for improvements through education and training. The Academy will help us with the inspectors, the supervisors, the safety experts, etc., and the training centers give us the opportunity to get this knowledge out of the classroom and into the mines.

#### Technical Support

Technical support is probably one of the least understood, but most valuable, of MESA's functional operations. Its title "Technical Support" is accurate. Its operations are in direct support and in fact intertwined with the enforcement and education responsibilities of MESA.

For instance, mine waste disposal regulations became effective in November 1975. These regulations require that each mine waste disposal plan must be submitted to and approved by MESA. Structural deficiencies and unstable conditions of mine and mill tailing dumps and tailings ponds must be reviewed in order to avoid the potential disasters that these embankments have caused in the past. Unfortunately, there is little literature on this subject. The state of the art is being developed on a case by case basis. Without the submission of these plans for approval, our inspectors cannot determine if a given waste embankment is in fact safe.

The testing and certification of mining equipment is an ever increasing responsibility. MESA must approve each piece of equipment used at the face in a coal mine and every piece of equipment used in the face area of a gassy metal and nonmetallic mine. The mining equipment manufacturing industry is expanding rapidly and their production capabilities are being expanded to meet the increased orders from mine operators. We have had and continue to have a six-month backlog on applications for approval. The additional workload caused by increased mining machinery production and new regulatory requirements will cause serious problems and production delays if MESA cannot meet the ever increasing demand and requirement for approval and certification.

Illumination and electrical testing facilities are essential to keep up with industry expansion and requirements. We have recently completed an illumination systems mine simulator which provides for testing illumination systems above ground so that an inspector will be able to determine with greater accuracy and more effectively if a given mine is in compliance pursuant to illumination standards. In addition, Technical Support continues to provide day-to-day on-site

assistance and advice to MESA inspectors and industry personnel in health surveys, mine ventilation, roof control, mine emergency operations, health and safety analysis, and a myriad of other areas.

Summary

I would now like to summarize our budget request for 1977. We are requesting a total of \$90,148,000. After adjusting for current year supplementals totalling \$4,146,000, the net increase is \$6,529,000. Nonrecurring decreases totalling \$5,709,000 have been offset against the following increased requirements:

- \$998,000 for pay cost annualization. This increase is requested to annualize the pay increase resulting from Executive Order 11883, dated October 12, 1975. Supplemental funding amounting to \$2,003,000 has been requested for the unabsorbed FY 1976 costs.
- \$3,135,000 to maintain operations at the current level. This amount provides \$2,074,000 for the full year cost of increases previously granted, \$165,000 for increased GSA space costs, and \$896,000 for promotions, within grade step increases, and automobile operation and maintenance.
- \$2,020,000 for 145 additional coal personnel needed to provide inspection services to 600 additional coal mining operations.
- \$485,000 to employ 17 additional assessment and conference personnel necessary to process and settle an additional 10,000 violations.
- \$1,350,000 to employ 64 additional metal and nonmetal mine inspectors to (a) extend the current annual inspection services to 700 additional mines; (b) to initiate a concentrated accident prevention and health inspection program on "high rate" mines.
- \$2,950,000 to operate and maintain the National Mine Health and Safety Academy during its first academic year. Position increases total 53 for the Academy of which 20 were approved during the Transition Quarter.
- \$1,300,000 and 30 additional positions for MESA's technical support program for (a) engineering evaluation and approval of coal mine waste impoundments; (b) approval and certification of mining equipment; and (c) approval of mine illumination systems.

I and members of my staff welcome this opportunity, Mr. Chairman, to pursue with you and members of your Committee, MESA's efforts in improving the miners' working environment and to discuss the particulars of this budget request.

## HIGHLIGHTS OF MESA'S PROGRAM INITIATIVES

Mr. BARRETT. Sir, I have submitted my full statement for the record. However, I would like to summarize some of the points that are included in that statement.

Mr. Chairman, I appreciate this opportunity, my first as Administrator of the Mining Enforcement and Safety Administration, to appear before you and members of your committee, to present MESA's program plans for fiscal year 1977 and to review with you our current activities and accomplishments.

I have a great commitment to the health and safety of the miner. I have developed a deep personal involvement. I feel that I know first-hand the miners' needs and their problems and have pledged my efforts and the resources that this committee approves toward helping our Nation's miners realize the safest, most healthful environment possible. Workers, operators and government must unite to meet our increased demand for energy and minerals while at the same time decreasing the hazards to the mine worker's health and safety.

More important, however, than my background is the background leading up to the budget request we present to you today. Although Federal efforts to promote mine health and safety extend back to 1910, a strong, active enforcement role was not played by Government until after the passage of the Federal Coal Mine Health and Safety Act of 1969 and the Federal Metal and Nonmetallic Mine Safety Act. Enforcement personnel grew from about 300 in 1969 to nearly 3,000 today.

In 1973 enforcement of these two acts was transferred from the Bureau of Mines to the Mining Enforcement and Safety Administration to avoid possible conflicts of interest between mine health and safety enforcement programs and other bureau programs aimed at furthering the development and conservation of mineral resources.

During these transitional years, MESA has had to grapple with serious difficulties such as the lack of administrative support services, comprehensive planning and programming capabilities, and staffing problems.

One enforcement tool, the assessment of civil penalties for violations of the Coal Act had been blunted by an adverse Federal court decision in the spring of 1973. Regulations, promulgated under both acts, were being enforced, but there was an acute awareness that the effects of several rules needed detailed evaluation and that the time was ripe for developing new regulations and strengthening existing rules.

## COORDINATION OF HEALTH AND SAFETY RESEARCH

Before getting into some of the specific budget requests I would like to discuss with you a matter which Congressman Yates recently described as "a confrontation over the last few years on health and safety research." Certainly there has been a difference of opinion over whether mine health and safety research funding should be solely the responsibility of the Mining Enforcement and Safety Administration or Bureau of Mines, or a joint responsibility between the two.

One of the first acts that I participated in as Administrator of MESA was to formalize a memorandum of agreement with Dr. Falkie of the Bureau of Mines which clearly establishes the joint responsibility

shared by MESA and the Bureau of Mines in this important area. I am satisfied that the arrangements now established are equitable and will provide an appropriate means for assuring that long-range research needs for mine health and safety can be met.

#### COAL MINE HEALTH AND SAFETY

In coal mine health and safety, one of our most successful programs has been in accident prevention. This program provides that an inspector will be placed full time in any underground mine operation employing more than 150 workers and having an accident frequency rate higher than the national average for underground mines. Not only has the disabling injury rate decreased, but also the fatal injury frequency rate.

It is the continuation of this program of accident prevention, where I feel we can make the most dramatic improvements in years to come. We use experienced enforcement personnel to assist operators in identifying and correcting health and safety deficiencies. These individuals work freely throughout the mine offering assistance, on-the-spot training and providing accident prevention advice as required and needed. In short, they tailor accident prevention programs to the needs of a particular mine and can be more responsive to the needs of the individual miner. I propose to continue and strengthen this program in fiscal year 1977.

#### METAL AND NONMETAL MINE HEALTH AND SAFETY

In our metal and nonmetal program we have at the present time only one inspector for each 50 mining operations.

We have, however, over the last 2 or 3 years, been able to increase the number of visits to mines and in fact increase the number of mines that we actually visit.

The increased funding and personnel requested for the metal and nonmetal program will provide a means for a continued effort to close this gap. In addition, we are proposing programs to concentrate on a special health inspection program which will provide a biyearly survey with enforcement of standards at approximately 600 targeted metal and nonmetal mining operations.

We are also proposing to extend our accident prevention program to the metal and nonmetal program on a limited basis in fiscal year 1977. The goal is to bring the injury frequency rates of these selected operations down to at least the existing industry average. I am confident that this program will provide the means for even greater decreases in the injury and fatality rates.

#### EDUCATION AND TRAINING

It is in the area of education and training that I see one of the greatest challenges and opportunities for MESA to make its most significant strides in improving the health and safety conditions in the mines of today and of the future. The National Mine Health and Safety Academy, about to open in Beckley, W. Va., gives us a special opportunity to meet these challenges.

Earlier this month I visited the Academy, and viewed the construction in progress. I could not help but to be awed by the facility

and the potential that it offers. More than any other single physical object, the Academy's buildings demonstrate to me personally the magnitude of my job, the challenges facing me and the genuine opportunities for success that it presents. I am convinced that education and training is the key for bringing greater improvements to mine health and safety. We must accept the challenge of not only citing violations, keeping statistics on fatalities and injuries, and carrying out other enforcement responsibilities, but we must also find ways for changing attitudes.

We need to change our own attitude from one of a strictly enforcement function to one where we offer enlightenment and educational opportunities in better and more profitable operations to improve health and safety procedures or practices. We must provide industry leaders the opportunity to recognize that it is a fact that the most profitable and productive operations are those where the employees have the safest and most healthy conditions under which they work. Finally, and equally important, the mineworker himself needs to recognize his responsibility in identifying and avoiding unsafe and unhealthy work practices.

#### TECHNICAL SUPPORT

Technical support is probably one of the least understood, but most valuable of MESA's functional operations. Its operations are in direct support and in fact intertwined with the enforcement and education responsibilities of MESA.

For instance, the mine waste disposal regulations became effective in November 1975. These regulations require that each mine waste disposal plan must be submitted to and approved by MESA. Structural deficiencies and unstable conditions of mine and mill tailing dumps and tailings ponds must be reviewed in order to avoid the potential disasters that these embankments have caused in the past. Without the submission of these plans, our inspectors cannot determine if a given waste embankment is, in fact, safe.

The testing and certification of mining equipment is an ever-increasing responsibility. MESA must approve each piece of equipment used at the face in a coal mine and every piece of equipment used in the face area of a gassy metal and nonmetallic mine. The mining equipment manufacturing industry is expanding rapidly. Serious problems and production delays may be encountered if MESA cannot meet the ever-increasing demand and requirement for approval and certification.

Illumination and electrical testing facilities are essential to keep up with industry expansion and requirements. We have recently completed an illumination systems mine simulator which provides for testing illumination systems above ground so that an inspector will be able to determine with greater accuracy and more effectively if a given mine is in compliance pursuant to illumination standards. In addition, technical support continues to provide day-to-day on-site assistance and advice to MESA inspectors and industry personnel in health surveys, mine ventilation, roof control, mine emergency operations, health and safety analysis and a myriad of other areas.

We are requesting a total of \$90,148,000. After adjusting for current year supplementals totalling \$4,146,000 the net increase is \$6,529,000.

I and members of my staff welcome this opportunity, Mr. Chairman, to pursue with you and members of your committee, our efforts in improving the miners' working environment and to discuss the particulars of this budget request.

#### IMPACT OF INDUSTRY EXPANSION ON BUDGET REQUEST

Senator BYRD. On a program basis, with adjustments for supplementals, we are talking about expanding MESA's budget by \$6.5 million, or nearly 8 percent. That includes more than 300 new positions, a 10-percent jump. The actual program increase is larger still if we discount nonrecurring expenses.

First, how much of these increases is pegged to matching mining industry expansion and how much to new programs?

Mr. BARRETT. We have a projection of about 600 new mines per year coming into production for the next 2 years. We had about 850 new mines come into being the last calendar year. We project that of those 309 positions that we requested, 145 will go into the coal mine inspection area to meet the increased number of mine openings.

On the metal-nonmetal side, we expect about a 3 percent per year growth, and we have asked for 64 positions to accommodate that growth plus concentrate inspection efforts on those mines having a high rate of health and safety incidents.

Senator BYRD. There has been a substantial growth in the programs for which MESA is responsible over the past decade, and understandably so. Are you approaching a point now where we can begin to expect a leveling off in this growth, except where necessary to cover industry expansion?

Mr. BARRETT. Yes. However, as the industry expands, if and when we embark on the energy independence operation, we are looking toward a doubling of productivity in the coal industry which will undoubtedly impact on all of MESA's activities.

Senator BYRD. You are looking toward what?

Mr. BARRETT. Doubling of production in the coal industry to satisfy our short-range energy needs.

Senator BYRD. In what time frame?

Mr. BARRETT. Ten years. It had been projected last year to 1985; however the longer we hold off in our energy independence operation, the date for independence keeps being pushed ahead. We are looking at 10 years from this point to doubling our production.

Senator BYRD. Do you think we can really make that target?

Mr. BARRETT. Yes, sir, I think we can. I recently conducted a survey on my own. I talked to people who produce about 180 million tons of coal per year to find out from them personally.

I talked to the people in the mines who are responsible for long range planning and budgeting and for new mine openings. They have assured me, nearly to a man, that doubling of production is not unrealistic.

#### ASSESSMENT OF INJURY AND FATALITY TRENDS

Senator BYRD. The injury and fatality statistics carried in your justification seem at best to be inconclusive. There are gains in some

areas but it is hard to establish any strong pattern. How would you assess the trends in injuries and fatalities in the last 3 years?

Mr. BARRETT. In the last 3 years we have had a leveling off in the coal industry. We only had 132 fatalities in the last 2 years; that is, 1973 and 1974. Then there was a rise in the number of fatalities last year. The frequency rates have not risen, however. Actually they have come down. They are based on hours worked exposure. But we did have an increase in the number of fatalities in the coal industry last year.

On the metal-nonmetal side—

Senator BYRD. To what do you attribute that increase?

Mr. BARRETT. There are a number of things that could be specified. One is the large number of new mine openings, specifically in the surface area.

Last year we had more people killed on the surface in coal mining operations than ever in the history of mining. As a matter of fact, last year out of the 154 fatalities that we had reported, 98 occurred underground and 56 on the surface.

There are a number of other reasons. One of them is that the construction business has not been very good in the last few years. Many people who have been in that business have gone into the strip mining business. We have had a tremendous increase in the number of strip mining operations.

We have had new people involved in a new industry, and this has caused us some problems.

Incidentally, as of this morning, we had a total, coal and nonmetal, of 45 fatalities as of this date last year, and today we have 31, which is about a 33-percent drop. But out of the 19 that we have had in coal this year, 9 are in the strip mines and 10 underground, which shows the trend that we are addressing ourselves to. That is, more inspections, beefing up our programs in surface mine inspection work.

On the metal-nonmetal side, there was a significant improvement last year. As a matter of fact, those industries had the best year in history.

I do not like to use the word "best" when you are describing fatalities, because I am sure the families of the victims would not think that that was a good year. But they did have 121 fatalities, which was an all-time low. The frequency rate dropped by about 4 points.

Senator BYRD. What was the total coal production last year nationwide?

Mr. BARRETT. Roughly 640 million tons.

Senator BYRD. What was it the year before last?

Mr. BARRETT. About 600 million tons.

#### RESOURCES NEEDED FOR MINE WASTE TESTING

Senator BYRD. With respect to coal waste disposal and construction of testing facilities, the request has not been renewed. The request last year was for \$1.4 million, and that request was dropped from the final bill last year. There is a related \$400,000. What are your plans in this area?

Mr. BARRETT. In the waste disposal area we promulgated regulations which became effective last November, that say, in effect, that we in MESA will be reviewing every plan submitted for waste disposal, whether it is to be a regular waste disposal area or an impoundment.

We have already received about 500 plans from operators that must be reviewed for adequacy by engineering specialists prior to approval by the district managers. We have some people working in that area now, but we need more people and more money for this program.

We expect about 500 plans in fiscal year 1977 to be submitted for approval. Mine waste material is a very unconsolidated type material. It is rather difficult for our inspectors, to go out and be able to investigate, inspect and pass judgment on whether or not an impoundment built from coal waste material is adequate.

Therefore, we are asking for these positions, and these dollars to be able to carry through on the approval of these waste disposal plans. We would also like, through this group, to look at the disposal of mine tailings in other than coal mines. That is metal-nonmetal mines.

Senator BYRD. Has the decision been made that you no longer need the coal waste testing facility that you requested last year?

Mr. BARRETT. Our impoundment laboratory will not be set up as such. We have a group who will be working in the Appalachian area, and we also have a group working in the Denver area.

Right now most of our expertise lies in Denver. We have hired some people who had worked for the Bureau of Reclamation. These individuals have the expertise that we need right now for approval of plans.

Senator BYRD. Has the decision been made that you no longer need the coal waste testing facility?

Mr. BARRETT. No sir, it has not.

Senator BYRD. It has not been made. Do you think you need it?

Mr. BARRETT. I think we could use one, yes, sir.

Senator BYRD. Did you request moneys for it at the departmental level?

Mr. BARRETT. Mr. Baker informs me that it was not known at the time that it would be taken out by the conference last year.

Senator BYRD. How is that?

Mr. BAKER. The Senate included a million dollars for the laboratory. But in the conference action it was knocked out. We did not know the final action of the conference until too late; we could not do anything about it. The fiscal year 1977 budget had already been firmly established by the time the final congressional action on the 1976 appropriation took place.

#### COORDINATION OF MINE WASTE PROGRAM

Senator BYRD. One of the problems involved in coal waste embankments was jurisdiction. The conference committee concern was over the possible overlap between MESA and the Bureau of Mines. Just what is the situation?

Mr. BARRETT. Between the Bureau of Mines and MESA?

Senator BYRD. Yes.

Mr. BARRETT. As I stated in my statement, one of the first things that took place after I became the Administrator of MESA was the formulation and signing of a memorandum of understanding between the Bureau of Mines and MESA.

We have drawn very specific guidelines and essentially the Bureau of Mines is charged with the mine health and safety research, and we are charged with enforcement programs. We have review committees established, membership of which is equally distributed between MESA and the Bureau of Mines.

Senator BYRD. I am talking of coal waste; stick to my question please, Mr. Barrett.

What about possible overlap between MESA and the Bureau of Mines over coal waste embankments?

Mr. BARRETT. I see no problems at all. That is strictly in our area of responsibility.

Senator BYRD. So there will be no problems of jurisdiction or overlap?

Mr. BARRETT. No, sir.

Senator BYRD. What about the slate dumps in West Virginia, coal waste embankments there? Do you have jurisdiction over them?

Mr. BARRETT. Yes, sir.

#### WEST VIRGINIA WASTE EMBANKMENTS

Senator BYRD. Tell us what you are doing in West Virginia.

Mr. BARRETT. Probably the best example of what we are doing in West Virginia is a job we did in cooperation with the Bureau of Reclamation involving the Wharton dump. I am sure you are familiar with that one.

Senator BYRD. It does not make any difference what I am familiar with. Tell me what you are doing in West Virginia in connection with the slate dumps. Who has jurisdiction at the State level, what are the Federal agencies that have jurisdiction over these embankments?

Mr. BARRETT. The State department of mines, I imagine, would have it in West Virginia. I really do not know who has jurisdiction in the State.

We have jurisdiction over the slate dumps, boney piles, and other mine waste impoundments in West Virginia.

Senator BYRD. What does that jurisdiction entail?

Mr. BARRETT. Well—

Senator BYRD. Who has responsibility for inspecting those slate dumps?

Mr. BARRETT. We do.

Senator BYRD. Is that responsibility shared by any other Federal agency?

Mr. BARRETT. No, sir.

Senator BYRD. What about the U.S. Army Engineers?

Mr. BARRETT. Well, I really do not know what their responsibility is. I will have to supply that information for the record. I know that we have responsibility under our regulations.

[The information follows:]

## CORPS OF ENGINEERS RESPONSIBILITY FOR WASTE IMPOUNDMENTS

Under the National Dam Inspection Program (P.L. 92-367) the U.S. Army Corps of Engineers inspected dams throughout the country to reach the following objectives:

Compile an inventory of all dams located in the country.

Make a one-time inspection of each dam to determine its stability and any structural weakness which could cause failure and downstream flooding;

Notify the respective states of those dams that are potential hazards so that the states can take appropriate action;

Prepare recommendations to submit to Congress pertaining to dam safety legislation and respective inspection and regulatory responsibilities which should be assumed by Federal, State, and local governments and by public and private interests.

MESA has exchanged information with the Corps of Engineers relative to investigations of waste dams. In addition, MESA has participated in an interagency review board to evaluate investigations of coal waste embankments conducted by consultants to the Corps of Engineers.

Mr. BARRETT. The regulations became effective last November, and every mine operator must have, by May 1 of this year, plans submitted to us for any impoundment or any slate dump. We will, in turn, after evaluation either approve or reject these plans. We have rejected a large number of them. As a matter of fact, at the latest count I think we have 400 submittals, and of these 400 submittals we have only approved about 40.

So we are looking very closely at the dumps. Our people are being very cautious as far as approvals are concerned. We are requiring many of them to be drained.

## DRAINING OF MINE WASTE IMPOUNDMENTS

Senator BYRD. How many have you required to be drained in West Virginia?

Mr. BARRETT. I do not know. I will supply that information for the record. I do not have those numbers with me today.

Senator BYRD. Have you talked to the department of natural resources in West Virginia about these embankments?

Mr. BARRETT. Not personally, no, sir. But I am sure our people have.

Senator BYRD. I think you ought to review this area of responsibility and submit for the record some updated information as to what your responsibility really is, what your jurisdiction is, what other Federal agencies you are working with in this area, and what your contacts are with the State agencies here, agencies that have responsibility. What actions are being taken, what rejections specifically have been made, what recommendations your agency is making, and what the situation is with regard to those dumps in West Virginia.

Mr. BARRETT. We will be glad to supply that information.

Senator BYRD. Along with that, the same for other States.

Mr. BARRETT. Will do.

[The information follows:]

## MESA'S RESPONSIBILITY AND JURISDICTION IN REGARD TO WASTE EMBANKMENTS, AND INTRA-ACTION WITH OTHER FEDERAL AND STATE AGENCIES

MESA has the responsibility for the inspection, and investigation of mine waste embankments and the enforcement of regulations governing these facilities at all active mining operations where the health and safety of working miners can be affected. MESA's enforcement of Federal regulations governing coal mine waste piles and impounding structures do not conflict with or infringe on the authority of other Federal and state regulatory bodies.

The Environmental Protection Agency and equivalent state agencies have the responsibilities and enforce regulations governing water quality derived from or affected by mining operations as well as enforcing air quality and emission standards applicable to mining operations. Our responsibilities and authorities cover different aspects related to mining and do not conflict.

Some coal producing states have regulations concerning coal waste disposal—of all states, Pennsylvania and West Virginia have the most stringent. In the other states the standards vary from state to state. The minimum requirements under the current Federal regulations are stronger and tend to strengthen the existing standards of those states. MESA's inspectors and engineering specialists continually cooperate with state counterparts in exchanging information and assistance.

In West Virginia MESA has a close liaison with the Department of Natural Resources (DNR). Whereas MESA's jurisdiction applies to active mine areas, the DNR has jurisdiction over old and abandoned coal waste embankments, both for enforcing safety measures and reclamation. MESA engineers have cooperated with DNR engineers in jointly evaluating old waste dumps which were suspected of being unstable. It is expected that these kinds of cooperative investigations with the DNR and similar agencies of other states will continue.

#### MINE WASTE IMPOUNDMENTS THAT HAVE BEEN DRAINED OR BREACHED

<i>State</i>	<i>Number</i>
Illinois.....	2
Indiana.....	10
Kentucky.....	29
Ohio.....	1
Pennsylvania.....	14
West Virginia.....	51
Total.....	107

Eighteen mine waste impoundments in West Virginia have been drained or breached under MESA authority. In addition, to obtain safer conditions, MESA recommendations have resulted in the water level being lowered or reservoir capacity being reduced in 33 other impoundments.

#### QUESTIONS SUBMITTED BY SENATOR HUDDLESTON

Senator BYRD. I realize you have not been on board too long in this area, but your responses indicate to me that you are not really on top of this thing.

I have some questions from Senator Huddleston for you, Mr. Barrett, and I will submit them. I hope you will give me detailed responses to these questions for the record.

They deal with the establishment of a mine safety training center in Kentucky. I will ask the first question. Senator Huddleston came this morning, but he had other conflicting engagements with the committees and on the floor.

I would want these questions answered clearly, and I will ask the first one for him. Does MESA see the need to establish a mine safety training center in Kentucky?

Mr. BARRETT. Yes, sir. We have already established a training center in Lexington, Ky., and we have detailed people to staff the office. We have people presently working out of that area—conducting training programs for the mine workers.

Senator BYRD. How much money would be needed in this bill or in a supplemental to allow the training center in Kentucky to go forward during the remainder of this fiscal year?

Mr. BARRETT. This fiscal year we should have about \$375,000 to establish the training center and get it moving. Next fiscal year we should have about \$500,000 to continue the training center operations.

Senator BYRD. In fiscal year 1977?

Mr. BARRETT. Yes, sir.

#### PREPARED STATEMENT

Senator BYRD. I would expect you to provide for the record MESA's full statement of reasons on the need for a training center in Kentucky, and how this facility would differ from the facility located at Beckley, W. Va., and any other supporting material.

Do you see any conflict in these two operations?

Mr. BARRETT. No, sir. The training centers are distinct, have a distinct and different training mission. They address themselves to two different programs entirely.

Senator BYRD. One would complement the other; is that correct?

Mr. BARRETT. Yes, sir, that is correct.

Senator BYRD. If you can make a convincing statement for the record in that regard it would be helpful to the committee.

Mr. BARRETT. We will do our best, sir.

[The statement follows:]

#### NEED FOR KENTUCKY TRAINING CENTER

Government funded research, industry experience, labor organization research and MESA experience indicates a very positive way that mine safety programs, to be effective, must include education and training in all phases of operations. Regulations passed to implement the Coal Mine Health and Safety Act of 1969 and the Metal and Nonmetallic Mine Safety Act reflect this by making certain phases of training mandatory.

To implement the regulations and to assist operators, especially the smaller employers, to set up additional accident prevention programs and also give training wherever possible directly to miners, MESA set up training centers throughout the United States. We believe that where training activity has been directed toward the causes of accidental injury the frequency of these occurrences has been reduced. The states of Virginia, West Virginia, and Pennsylvania each have a MESA training center tailored to their particular needs, while Kentucky has been served by the training center located in Birmingham, Alabama. The continued growth of Kentucky coal production and the calamitous incidents of accidental death in 1975 dictated that a training center, dedicated entirely to Kentucky's problems, be established. The objectives of the training center are to: assist coal mine operators and metal and nonmetallic mine operators to achieve compliance with present training regulations; provide training resource personnel to aid the industry to establish required accident prevention training for new miners and do on-site instruction for employees of small mine operators unable to provide cooperative instructors; monitor mandatory training being done by industry; supervise and conduct mine rescue training; provide special training for safety representatives of industry and organized labor; develop course material for cooperative industry instructors; state instructors and MESA instruction personnel including training films and other audio-visual material; and, conduct testing to qualify underground personnel required to conduct certain tests as listed in Part 75 of the regulations of the Coal Act.

The National Mine Health and Safety Academy is being developed as a formal academic institution for training Federal and State mine enforcement and support personnel. The Academy will also be a center for developing safety training materials and programs for nationwide use by all of the mining industry. The day to day training activities for the mining industry are the responsibility of and will be carried out through the MESA training centers. These centers also have the responsibility for monitoring compliance with training regulations and assisting in the training of the rank and file miners and supervisors.

#### EDUCATION AND TRAINING

Senator BYRD. For education and training, including start-up funding for the Beckley Academy, you are requesting 53 new positions and

increases totaling \$3.2 million. Is the new program level of \$9.8 million expected to complete your expansion?

Mr. BARRETT. No, sir, it will not. We anticipate that increased future funding would be desirable for the Kentucky training center.

In addition, as I mentioned earlier in my opening statement, I feel that in the area of education and training, we have the greatest challenges and opportunities to make significant strides in improving health and safety conditions.

Finally, additional funding and staffing will be needed in future years for the Academy if we are to operate at the maximum capacity.

Senator BYRD. Twenty of your 53 new positions for Beckley are to be authorized in the July-September transition quarter. Do you expect to have them all filled in that period?

Mr. BARRETT. Yes, sir, we do. We have already determined the order of priority for filling each of these positions and have initiated recruitment efforts to insure that they will be filled in a timely manner.

Senator BYRD. Give us the details of your program goals at Beckley. How many people will you be training in fiscal year 1977 and annually thereafter?

Mr. BARRETT. The curriculum at the Academy has been designed with the view of improving environmental conditions and reducing accidents and fatalities in the mining industry. Academic programs have been developed to train new inspectors and health and safety specialists as well as those who render technical assistance. In addition, special programs are available for Federal, State, and mining company officials who provide health and safety training to the Nation's miners.

Other aspects of our Academy operations include seminars and correspondence classes that are tailored to individual needs.

Senator BYRD. How many people will you be training in fiscal year 1977 and annually thereafter?

Mr. BARRETT. I would expect, depending on the program mix, that we would have approximately 1,500 people at the Academy next fiscal year. In the long run, I would hope to increase the attendance to approximately 2,500 annually.

Senator BYRD. How many students will be residing at the Academy, and what are the costs associated with resident training?

Mr. BARRETT. We have dormitory facilities for about 350 students based on double occupancy. Other arrangements could be made for special students not occupying Government quarters.

Although final cost figures have not been determined, we estimate that the food and housing cost will amount to \$10.00 per day per student. In addition, each governmental student will receive \$2.80 per day for miscellaneous expenses in accordance with the current per diem laws.

Senator BYRD. What are the training periods?

Mr. BARRETT. We are planning a multi-level type of operation at the Academy. Programs will range from a maximum of 9 months duration to 2-day seminar courses. The bulk of the residence will be in programs of 12-weeks modules.

## TRAINING CENTERS

Senator BYRD. Please supply for the record a breakdown of your \$5.5 million request for training centers, including personnel, and give a brief program description for each center.

Mr. BARRETT. I will be happy to supply that information.

[The information follows:]

MESA's Training Centers serve as headquarters for the MESA field personnel who train miners, cooperative instructors, and mine supervisors in health and safety subjects at mine locations. Each center provides a training facility for seminars, training sessions, and small conferences, maintains a supply of resource material and training aids, and supplies instructors to conduct courses requested by mining industry representatives, unions, State organizations, and other Federal agencies. In addition, they evaluate and approve mine operator training programs and direct the design of individual corrective safety training programs leading to increased accident prevention in mines with hazardous conditions or a high frequency rate of disabling injuries. Programs vary depending upon their geographic location with emphasis on coal or metal and nonmetal mining operations accordingly.

In addition, the Denver Training Center maintains National records on miners who are "certified" and "qualified" to perform their work as required by law and provides notification of training required or changes in an individual's status. Assistance is also provided to States in the preparation and implementation of qualification and certification programs.

MESA's Audio-Visual Office is responsible for providing audio-visual services to fulfill requirements for training materials and for demonstrating methods related to their utilization. These services include consultation assistance to mine operators when new and/or revised training programs are under consideration. The Office is responsible for technical production of all motion pictures, audio-visual presentations, television packages, and other graphics programs related to health and safety education and training. In addition, training courses are conducted for mine employees, MESA program officials, or other prospective instructors in the use of audio-visual materials.

The Holmes Safety Association is a voluntary, noncommercial, nonprofit safety membership association. Its sole objectives are to prevent fatalities and injuries and to improve health and safety among employees in all phases of the mining industry. It serves as a clearinghouse for distributing information about causes of accidents and methods of prevention. Through its headquarters and affiliated State and district councils and local chapters, it stimulates continuous and coordinated accident prevention programs.

Estimated funding and position allocations are as follows for fiscal year 1977:

<u>Office</u>	<u>Funds</u>	<u>Positions</u>
Office of the Administrator	\$450,000	11
Pittsburgh, Pennsylvania Training Center	400,000	14
Norton, Virginia Training Center	225,000	7
Beckley, West Virginia Training Center	450,000	16
Birmingham, Alabama Training Center	375,000	13
Chicago, Illinois Training Center	375,000	12
Lexington, Kentucky Training Center	500,000	13
Dallas, Texas Training Center	350,000	13
Denver, Colorado Training Center	450,000	16
Boulder City, Nevada Training Center	300,000	10
Albany, Oregon Training Center	349,000	12
Audio-Visual Office, Pittsburgh, Pennsylvania	800,000	20
Holmes Safety Association	222,000	8
Overhead Support	<u>264,000</u>	<u>7</u>
Total Request	\$5,510,000	172

## ELECTRICAL TESTING LABORATORY

Senator BYRD. A similar problem of jurisdiction and possible overlap involved your \$325,000 request last year for an electrical testing laboratory, and this, too, was dropped from the final bill. Where does that stand in your 1977 request?

Mr. BARRETT. We are proposing to strengthen our limited capabilities in this area and have requested \$300,000 and 5 positions for illumination and electrical systems testing.

Senator BYRD. Is there a clear division of responsibility in the electrical and illumination responsibilities of MESA and the Bureau of Mines?

Mr. BARRETT. Yes, Senator, I think that each Bureau's responsibility has been clearly defined in our memorandum of understanding. For example, in the electrical field the Bureau of Mines research on electrical safety is primarily a contract program which includes MESA requested projects. The MESA technical support program provides in-mine assistance to enforcement personnel on power distribution problems and conducts laboratory evaluations of manufactured components, such as ground check monitors, for compliance with safety regulations. Thus, MESA's in-house enforcement-oriented efforts complements rather than duplicates BOM research efforts.

## HEALTH AND SAFETY JURISDICTION

Senator BYRD. The committee continues to experience difficulty in determining just what health and safety research work and technical assistance belongs in which agency. You referred in your statement to this problem. Please outline the memorandum of agreement.

Mr. BARRETT. Basically, the BOM/MESA memorandum of understanding will require that both organizations meet periodically to jointly evaluate and concur on the types of research projects which each agency has determined as being required and clarifies the respective roles and linkage between the agencies.

This interaction will identify those programs where close coordination is required and insures that no duplication or overlap is included in the budget requests of the two agencies.

Senator BYRD. In collaboration with the Bureau of Mines, please work up a clear statement delineating each agency's jurisdiction under your memorandum of agreement showing how this work is coordinated to avoid duplication. Include in that statement an estimate of each agency's funding in the 1975-1977 fiscal years for health and safety research and the facilities, existing and planned, used in such research or technical assistance. List any program changes in each agency resulting from this memorandum of agreement.

Mr. BARRETT. I will supply that information for the record.  
[The information follows:]

MESA-Bureau of Mines Coordination

The Department's mine health and safety research programs are managed and conducted by the Bureau of Mines. MESA concurs and strongly supports the FY-77 funding requests for these programs which are being asked by the Bureau of Mines. MESA does not do--nor does our budget request ask monies for--research. Our Technical Support organization applies state-of-art technology to solve enforcement or compliance problems brought to them by our inspectorate. If these problems cannot be resolved with existing knowledge or hardware, they are referred to BOM for research solutions. Technical Support also approves equipment, explosives, materials, respirators and instruments for use in mining.

During 1975, the Assistant Secretary--Energy and Minerals determined that management and conduct of the health and safety research would remain in the Bureau of Mines but with procedures established to strengthen MESA participation in the program and with a formalized methodology for joint evaluation of ongoing and proposed applied research projects as a prerequisite to their inclusion in each future year's program. The evaluations serve as a guide to Bureau programmers.

A joint Department/BOM/MESA task force developed the procedural mechanisms and evaluation criteria which both bureaus are following in formulating the FY-77 research program. Briefly, the steps are: (1) a canvass of both organizations for research needs and proposals to be submitted in a standard written format; (2) referral of the combined array of proposals, including any received from outside sources, to subprogram evaluation teams having equal representation from MESA and BOM who rate and rank projects using agreed upon criteria and methodology; (3) formulation of the program by matching funds allocated to subprogram areas with the cumulative costs of the rank-ordered proposals received from the evaluation teams.

To define both the overall program budget request, subprogram allocations and proportionate amounts for basic and applied research, BOM and MESA will collaborate on a "strategy" paper which outlines the goals and priorities for health and safety research--both short- and long-range. This will not only better guide future programs budget requests, but will serve as a basis for objective evaluation of program results.

The foregoing "strategy paper" requires, for future years FY-78 and beyond, exchange between MESA and BOM of annual and long-range plans. This interaction in the initial planning stage will identify those programs where close coordination is required and insure that no duplication or overlap are included in the budget requests of the two agencies.

Day-to-day coordination is accomplished primarily by direct interaction between the staffs of the Bureau's Assistant Director--Mining and MESA's Assistant Administrator--Technical Support. Examples of potentially duplicative problems resolved on a case-by-case basis are: the decision by MESA to have BOM conduct explosive approval testing rather than construct a separate facility; the assignment of roles in the current MESA/BOM/NIOSH environmental and health effects study of metal and nonmetal mines; and the joint field testing of research improvements to MESA's mine emergency-communications system.

Agency Coordination

The Conference Committee concern over apparent duplication between MESA's Technical Support FY-76 request and the Bureau's ongoing research

programs focused on the need for a more formal methodology for clarifying the respective roles of and linkage between the agencies. For instance, in the waste impoundment program, the BOM research effort at Spokane, Washington, is devoted to improving basic design theory for coal waste. This research was requested by MESA. However, neither the research staff nor the laboratory is available for the engineering review of coal waste disposal plans which MESA must do. The routine test data needed for the plan reviews would be most economically obtained in the Eastern coal fields. The majority of critical embankments are located in the Appalachian area. These data are not now being compiled by the BOM.

Mine illumination and electrical safety are areas where BOM/MESA programs might appear duplicative but, in fact, are not.

When the 1969 Act required working places in underground coal mines to be lighted, permissible lighting systems did not exist, nor were requisite light levels known. BOM research developed the criteria on which MESA based the proposed regulations for illuminating working places in underground coal mines. They developed and mine-tested a variety of prototype lighting systems. The BOM held open industry briefings and seminars to advise industry of the availability of these systems. MESA participated in these activities. Meanwhile, MESA was charged with finding a practical means for testing lighting systems for compliance and for enforcing the regulations--clearly, MESA's responsibility. A technique has been developed which allows a lighting system to be tested in a simulated mine entry to predetermine compliance of the system before it is taken underground and installed. This MESA test facility is not duplicated by BOM.

BOM research on electrical safety is primarily a contract program which includes MESA-requested projects. The MESA Technical Support program provides inmine assistance to enforcement on power distribution problems and conducts laboratory evaluations of manufactured components, such as ground check monitors, for compliance with regulations. Thus the research complements but does not duplicate MESA in-house enforcement-oriented work.

Similarly, the Mining Equipment Safety Laboratory will examine safety aspects of equipment--primarily that used in surface mining--for compliance with existing and proposed standards. It also will determine the need for new and revised standards. The results of the Bureau's in-house and contract research projects will be fully utilized; the equipment safety staff and facility provide the critical link for getting the research results into use.

The Surface Test and Trials Research Facility currently under construction by the BOM at Pittsburgh will include an aboveground simulated underground coal mine for evaluating full scale units of innovative mining equipment prior to inmine testing. This capability will provide savings in cost and time in that equipment tested on the surface need not be made permissible and any reliability and safety weakness can be addressed prior to costly underground testing. It will also include an expanded hydraulic transport laboratory and a sophisticated roof support test rig. The Bureau has offered to perform tests of long- and short-wall chocks for MESA with the roof support rig. Certainly, MESA will accept this offer as we see no need for a duplicate facility. Further, we urge that adequate funding be provided for this service.

Program Changes

The Memorandum of Understanding covering the research interface was signed on February 6, 1976. It clearly defines the research roles and obligations, and strengthens the important linkage between these two Interior agencies. The methodology for joint program planning is being followed in developing the FY-77 program. The full impact of the agreement can best be measured in FY-78.

To fully implement the Memorandum of Understanding, MESA will commit the equivalent of 20 man-years through part-time efforts of over 100 professionals throughout MESA.

## MINING ENFORCEMENT AND SAFETY ADMINISTRATION

 Technical Assistance  
 Facilities - FY 1976

Headquarters, Arlington, Virginia, including funding for mine emergency operations contracts and assistance activities-----	\$1,378
Illumination/Electrical Testing Project Beckley, West Virginia-----	365
Pittsburgh Technical Support Center-----	4,678
Denver Technical Support Center-----	2,250
Health and Safety Analysis Center, Denver, Colorado-----	1,570
Mining Equipment Safety Laboratory Wheeling, West Virginia-----	1,195
Overhead Support-----	<u>323</u>
Total Technical Support Funding-----	\$11,759

Bureau of Mines, Health & Safety Research  
Facilities  
 FY 1976

(\$ Thousands)

	<u>Direct Funding (Gross)</u>	<u>Contract Load (Gross)</u>
Pittsburgh Mining & Safety Research Center	8,400	38,800
Twin Cities Mining Research Center	700	5,000
Denver Mining Research Center	2,000	4,500
Spokane Mining Research Center	1,600	11,800
Carbondale Mining Research Center	0	0
Totals	<u>12,700</u>	<u>60,100</u> <sup>1/</sup>

Existing

Bruceton Experimental Mine (Coal)  
 Bruceton, Pa.

Fire & Explosion Test Mine (Coal)  
 Prestonsburg, Ky.

Twilight Experimental Mine (Uranium)  
 Colorado

Surface Test & Trials Facility  
 Bruceton, Pa.

Seismic (Rock Burst) Monitor  
 Wallace, Idaho

Planned

Room and Pillar Mine Roof Simulator  
 (one of above Research Centers)

<sup>1/</sup> Includes planned FY 76 contracts being processed, active FY 76 contracts being monitored, and active contracts from previous years being monitored.

Bureau of Mines  
 Estimate of Funding  
 Health & Safety Research  
 (\$ Thousands)

	<u>FY 1975</u>	<u>FY 1976</u>	<u>FY 76 TR. Qtr.</u>	<u>FY 1977</u>
<b>Coal Mine:</b>				
Health	3,473	3,900	965	4,075
Safety	24,160	25,460	6,300	25,285
<b>Totals</b>	<b>27,633</b>	<b>29,360</b>	<b>7,265</b>	<b>29,360</b>
<b>Contract</b>				
Inhouse	17,606	19,460	4,765	19,360
	10,027	9,900	2,500	10,000
<b>Metal &amp; Nonmetal Mine:</b>				
Health	1,865	2,400	600	2,170
Safety	2,755	3,265	810	3,495
<b>Totals</b>	<b>4,620</b>	<b>5,665</b>	<b>1,410</b>	<b>5,665</b>
<b>Contract</b>				
Inhouse	2,515	2,965	710	2,865
	2,105	2,700	700	2,800
<b>Combined:</b>				
Health	5,338	6,300	1,565	6,245
Safety	26,915	28,725	7,110	28,780
<b>Totals</b>	<b>32,253</b>	<b>35,025</b>	<b>8,675</b>	<b>35,025</b>
<b>Contract</b>				
Inhouse	20,121	22,425	5,475	22,225
	12,132	12,600	3,200	12,800

## HEAVY EQUIPMENT TESTING

Senator BYRD. Last year the committee included \$1,230,000 in the fiscal year 1976 appropriations bill for establishment of a heavy mining equipment testing facility at Wheeling, W. Va. What is the status of that?

Mr. BARRETT. Work has begun on plans and specifications for that facility. Land acquisition is being handled by our technical support group. The Pittsburgh branch of management operations has drawn up plans and specifications for the building. It will be comprised of approximately 18,000 square feet initially and will cost about \$500,000.

The plans and specifications are about 99 percent complete, and should be here at headquarters for final review this week. If there are no undue delays at the Washington level, the solicitation package will be out on the street by March 1.

Senator BYRD. What undue delays at the Washington level?

Mr. BARRETT. I have no problems here. As far as I am concerned it will continue to move ahead. We just had an organization package completed and signed at the departmental level that establishes this facility in the departmental manual, that is the Dallas Pike facility. Construction is expected to begin about May 1 and we expect the completion in about 8 months.

Senator BYRD. Do you have in mind any other undue delays at the Washington level?

Mr. BARRETT. Not that I envision; no, sir.

Senator BYRD. Then why did you make reference to it?

Mr. BARRETT. I probably should not have made reference to it. There will be no delays in my office.

Senator BYRD. What other office could there be delays in?

Mr. BARRETT. I do not envision any.

## UNOBLIGATED FUNDING

Senator BYRD. Have you obligated all of the fiscal year 1976 funding, and, if not, how much will you be carrying forward in the fiscal year 1977 budget?

Mr. BAKER. MESA's budget is on an annual basis, Senator, so what we did not use would lapse. It would only be a token amount.

Senator BYRD. How much is the token amount?

Mr. BAKER. I think \$200,000 to \$300,000 on \$80 million. If you are referring to the Academy money, I think GSA had about \$700,000 carried over at the beginning of this year.

They have used that—

Senator BYRD. Are you talking about construction funding?

Mr. BAKER. Yes, sir.

Senator BYRD. That is carried on a no-year basis.

Mr. BAKER. Yes, sir, but our regular funds are annual funds.

Senator BYRD. Which funds lapsed?

Mr. BAKER. The annual funds lapsed as of June 30.

Senator BYRD. None of the construction funds?

Mr. BAKER. None of the construction funds lapsed.

Senator BYRD. I know that. But how much of that have you utilized?

Mr. BAKER. The carry-over money, all of the GSA funds, \$700,000 has been obligated. In addition, we transferred to them the money included in the 1976 appropriation. They are obligating that now.

#### ADDITIONAL HEAVY EQUIPMENT NEEDS

Senator BYRD. Will you need additional funding for the heavy equipment facility in fiscal year 1977?

Mr. BARRETT. Yes, we feel that we need about \$750,000.

Senator BYRD. What will you need that for?

Mr. BARRETT. Mechanical equipment, diesel testing, electrical equipment to man our electrical laboratory for cable testing. We would like to have an explosion gallery at that facility, hydraulic fluid testing equipment, and extend the capability of the test track for the heavy equipment.

This would amount to about \$750,000.

Senator BYRD. Would you supply for the record a comprehensive statement in support of that money?

Mr. BARRETT. Yes.

[The information follows:]

### Additional Heavy Equipment Testing Needs

The mining industry, both in coal and metal and nonmetal, is accelerating its introduction of new equipment to meet the increased demands for energy and raw materials. This new equipment often requires a detailed engineering investigation to be conducted, as mandated by statute, to ensure its safe use. The Mine Equipment Safety Laboratory needs to maintain its capabilities to evaluate all new equipment and hardware resulting from new technologies as they are made available. This can be accomplished by extending the ability of the Safety Laboratory to conduct tests and investigations to ensure adequate safeguards are provided as required by the Federal Coal Mine Health and Safety Act or the Metal and Nonmetallic Mine Safety Act. The following is a detailed explanation of the additional funding requirements needed to provide this capability.

#### Mechanical Testing

This capability will provide the scientific data necessary to determine if mining equipment meets the performance criteria of braking, steering, fire protection, and operator compartment strength testing required for MESA to approve this equipment for use. The mechanical safeguards, required by statute, have recently developed performance criteria that can only be ascertained by thorough scientific testing and evaluation. Many of these criteria are applicable to other segments of industry and are required by other Federal agencies such as OSHA and DOT. Where applicable to the mining industry, these criteria are unchanged. However, because of the uniqueness of the underground mining environment, and increasingly larger haulage capacities for surface mining, additional criteria must be tested and investigated to ensure adequate protection against these additional hazards. Additional facilities and instrumentation are needed to:

- . Expand the test track facilities for braking and steering tests;
- . Provide the equipment, instrumentation and control devices for fire protection testing; and
- . Provide operator compartment strength testing capabilities.

Funding necessary to add this capability to the facilities presently being constructed at the Mine Equipment Safety Laboratory is estimated at \$100,000.

#### Explosive Environment Testing

The danger of fires and explosions in all underground coal mines is an ever present hazard. In the metal and nonmetal mines where diesel power, as well as electrical systems are used, approvals for their use often requires testing in an explosive environment. The Federal Coal Mine Health and Safety Act mandates testing by MESA of all face equipment in an explosive environment. Only small components can be tested in present facilities--not entire units of equipment.

No present facility, in either MESA, the Federal Government, or industry, will permit testing of the larger size high voltage components which are being employed in new generation equipment being developed through BOM or industry research efforts for increasing productivity. Consequently, MESA considers it imperative to provide such a facility to insure that standards can be developed for the safe design and use of equipment and components requiring higher voltage power than the 4160 volts presently allowed by current standards. Locating the facility at the Mine Equipment Safety Laboratory will permit efficient testing services for both the diesel testing program as well as the large high voltage electrical equipment.

Funding to construct an explosion gallery and the building necessary to house the associated controls, high voltage equipment and personnel is estimated at \$535,000.

#### Personnel Requirements

Additionally, once completed 12 additional engineers and technicians will be needed to operate these facilities and to perform the necessary tests. Costs associated with these employees, who will not be needed until late in the year is estimated at \$115,000.

#### Summary

In summary, the additional needs for Mine Equipment Safety Laboratory are:

. Expansion of mechanical testing	\$100
. Explosive environment testing	535
. Increased staffing (12 positions)	<u>115</u>
Total-----	<u><u>\$750</u></u>

Senator BYRD. When will the facility become operational?

Mr. BARRETT. May 1. We figure if the contracts are let May 1 it will take about 8 months to construct the facility.

Senator BYRD. What will be the total cost of the facility when it is completed?

Mr. BARRETT. You mean total dollars invested in the facility?

Senator BYRD. What will be the total cost for that facility when it is completed?

Mr. BARRETT. \$500,000 the facility we are now building.

Senator BYRD. Do you feel the project is coming along on schedule?

Mr. BARRETT. Yes, sir.

#### COMPLETION OF BECKLEY ACADEMY

Senator BYRD. On the National Mine Health and Safety Academy, MESA indicated last year that additional funds up to \$2.2 million might be needed to complete construction and furnishings. We provided an additional \$1.5 million. Was that amount sufficient, or are there any needs yet to be funded?

Mr. BAKER. As far as we know now, Senator, that will be sufficient funding to complete the Academy. I qualify that, because you never know when there will be a difference of opinion between the contractor and the Government.

It will be another 6 months before the final construction is completed, so there are possibilities. We have contingencies built in and we feel certain we can complete it with the money appropriated.

Senator BYRD. When will the Academy be completed?

Mr. BARRETT. We will be getting the first building on April 3. The final facility will be turned over to us on July 1.

Senator BYRD. July 1?

Mr. BARRETT. Yes, sir.

Senator BYRD. What was it this gentleman had in mind when he used the 6-month reference?

Mr. BAKER. I missed it a month. This is February. I am sorry. It is the same time.

Senator BYRD. When will your first classes be held within the Academy?

Mr. BARRETT. I believe Dr. Zabetakis, our Academy superintendent, has classes scheduled for March 22. That will be the first group of in-house people to be trained, that is our mine inspectors.

Senator BYRD. Have you developed any type of cooperative agreements with other mining schools or surrounding educational facilities?

Mr. BARRETT. As of this moment, no. However, we have proposals from some of the local colleges and universities. At the present time our Solicitor is exploring whatever needs to be explored in that area. We hope to tie in very closely with the local universities and colleges.

Senator BYRD. What will be the total cost of this facility when it is completed?

Mr. BARRETT. Roughly \$21 million.

Senator BYRD. That is a lot of money.

Mr. BARRETT. Yes, sir.

Senator BYRD. I have been very proud of this facility and I worked to help get it going. I trust that the country will be proud of it and the Congress will be proud of its performance.

Be sure every step is taken to see that our confidence and faith and trust has not been misplaced.

Mr. BARRETT. We will do that, Mr. Chairman.

#### ACADEMY STAFFING AND FUNDING PROGRAM

Senator BYRD. Will the additional \$2.9 million and 53 positions requested in your budget for staffing and operating the Academy in fiscal year 1977 bring you up to full strength?

Mr. BARRETT. Yes, sir, for the time being it will, for fiscal year 1977. I believe we will have about 100 people on the staff. We will also be drawing people from our technical support group to do some of the training; that is the detailed technical training.

Ultimately, we may end up with a total faculty that would handle all of the technical expertise, so that we would not have to draw from our ongoing program areas. But for this year, during the initial year, we feel that we will have enough positions to get us started.

Senator BYRD. That does not answer the question in the affirmative. You say for the time being it would bring you up to full strength. It will not bring you up to full strength, then?

Mr. BARRETT. No, but for fiscal 1977 we feel that it will carry us through this year. But ultimately we will be coming back for more positions and more dollars accordingly.

#### USE OF CONTRACTUAL SERVICES

Senator BYRD. Why is more than half the Beckley request allocated to contractual services?

Mr. BAKER. Senator, many of the activities at the Academy lend themselves to contracting. For example, the food service. It is more economical to contract with an institution in that locality to provide food service than for the government to do it.

This is true throughout—some of the other items are one-time items that are easier to contract for than to hire a permanent work force.

Senator BYRD. Submit for the record a list of the services being contracted out.

Mr. BAKER. We will, sir.

Senator BYRD. Also, indicate why they are being contracted out. And indicate what the cost would be for the Government to provide this food service.

Mr. BAKER. We will, sir.

[The information follows:]

PROPOSED CONTRACTURAL PROGRAM  
FOR OPERATION AND MAINTENANCE OF THE  
NATIONAL MINE HEALTH AND SAFETY ACADEMY

It is a longstanding Government policy (OMB Circular A-76) to rely upon the private enterprise system to supply its needs, except where it is in the National interest of the Government to provide directly the products and services it uses.

In some instances, however, it is in the National interest for the Government to provide directly the products and services it uses. These circumstances are as follows:

- (1) Procurement of a product or service from a commercial source would disrupt or materially delay an agency's program.
- (2) It is necessary for the Government to conduct a commercial or industrial activity for purposes of combat support or for individual and unit retraining of military personnel or to maintain or strengthen mobilization readiness.
- (3) A satisfactory commercial source is not available and cannot be developed in time to provide a product or service when it is needed.
- (4) The product or service is available from another Federal agency.
- (5) Procurement of the product or service from a commercial source will result in higher cost to the Government.

The Circular further provides that "no executive agency will initiate a 'new start' or continue the operation of an existing 'Government commercial or industrial activity' except or specifically required by law or provided in this Circular."

Within these guidelines, MESA developed the following contractual program for operation and maintenance of the Academy.

Type of Contractual ServiceReason for Contracting

(1) Food service for the student body.	Economy of operation.
(2) General janitorial services.	Economy of operation.
(3) Laundry service for dormitory and other Academy needs.	Economy of operation.
(4) Medical and health services.	Economy of operation. Insufficient volume to justify full-time work force.
(5) Operation and maintenance.	Economy of operation. Insufficient need for technical expertise to justify full-time work force.
(6) Security.	Economy of operation.
(7) Trash service.	Economy of operation. Insufficient volume to justify full-time work force.

Estimated Cost for Government to Provide Food ServiceLabor

39 man years of employment averaging \$10,948  
(7 days a week service, 3 meals per day) \$427,000

Food

110,000 student days averaging \$3.00 per day <u>1/</u>	
Total estimated Government cost	<u>330,000</u>
Total-----	<u>757,000</u>
Estimated cost of contracting food service-----	<u>600,000</u>
Net savings-----	<u>\$157,000</u>

1/ Based on average attendance of 400 for 250 days and 100 for 100 days totalling 110,000.

Senator BYRD. Can you justify contracting, on the whole, as a money-saving measure in connection with this facility?

Mr. BAKER. In this case, yes, sir.

Senator BYRD. We will have a continuing oversight monitoring of such, I am sure, and the committee will want also to follow with you from time to time. Make sure we are saving money.

Mr. BAKER. We will do our best, sir.

#### METAL AND NONMETAL MINE SAFETY

Senator BYRD. You are requesting additional funds to initiate special accident and health inspection programs in metal and nonmetal mines, in effect concentrating on problem areas. Do you expect this program to grow or remain limited to specific areas?

Mr. BARRETT. I would hope to be able to increase these programs in future years although still limiting the scope to those operations needing this special attention.

In our initial investigation, we found that there were some 140 large operations having a disabling injury frequency rate above the industry average. During this initial year of the program we hope to cover about 25 of them.

Similarly, in the health program we will be able to concentrate on about 600 of 4,000 targeted operations.

Senator BYRD. What is the ultimate goal of your health and safety inspection programs. What kind of inspection frequency are you aiming at in the long run?

Mr. BARRETT. The objective of our health and safety program for metal and nonmetal is to effect a long-term sustained downward trend of occupational deaths, injuries, and illnesses to workers.

To be frank with you, Senator, I don't know what inspection frequency I should be aiming at. I am convinced that some mines will require a greater inspection frequency than others.

For fiscal year 1977, we are proposing to continue our present policy of an average of four regular inspections for underground mines and one inspection of each surface operation annually. In addition, we will increase the frequency of inspections at those operations where injury experience and health hazards dictate.

#### COAL MINE INSPECTIONS

Senator BYRD. Going to your coal mines inspection activity, you are requesting 145 new positions and an additional \$2 million to expand the enforcement program to new mines. In what areas are you anticipating a net increase of 1,400 new mines in 1976 and 1977?

Mr. BARRETT. In calendar year 1975 the coal industry experienced an increase of 861 mines. Of this total 680 were surface operations and 181 were underground operations. We anticipate that the increase for fiscal year 1977 will continue to show a high ratio of surface mines to underground mines.

Senator BYRD. When was that estimate made? Does experience to date substantiate?

Mr. BARRETT. An estimate was made last April for budget planning purposes and has been updated until late December when the final

budget allowances were made. It's still too soon to determine how close this will be.

Senator BYRD. With a net increase of 800 new mines in 1976, do you have sufficient strength now to perform inspections adequately?

Mr. BARRETT. Senator, as you know, it takes time to train and qualify a mine inspector. Last year we had difficulty hiring, and we used the funds with your approval, to increase travel. We filled our jobs late last fiscal year and earlier this fiscal year and have had those inspectors in training. They are now full-fledged inspectors—duly authorized representative of the Secretary. This has allowed us to keep pace to date.

The only problem is that I no longer have this inspector training pool to call upon. If mine openings continue to accelerate, I may not have sufficient strength later this calendar year.

Senator BYRD. What portion of your coal mines inspection programs funding is directed to underground mines and what portion to surface mines?

Mr. BARRETT. Our accounting system is not sufficiently developed to provide that type of information. I would have to give you an educated guess—approximately 75 percent for underground and 25 percent for surface.

Senator BYRD. Your justification notes the absence of major mine disasters since 1972. Do you feel the coal mine health and safety program played a significant role in this respect?

Mr. BARRETT. Yes, sir. I think that it has. I think that the mine workers as well as management are more alert to the potential for mine disasters; such as accumulations of loose coal and coal dust, accumulations of methane, inadequately supported roofs over haulage roads—items of imminent danger which require closure orders when observed.

The awareness of these dangers can be attributed to our health and safety program. This, plus our enforcement efforts and the act have played a significant role.

#### PENALTY ASSESSMENTS

Senator BYRD. Seventeen new positions and an additional \$485,000 are requested for your penalty assessment office to handle a building backlog. Just how big is that backlog at this time?

Mr. BARRETT. The backlog consists of two separate activities, violations awaiting initial assessment and violations that are in dispute awaiting a conference meeting between mine management and MESA officials. There exists currently a backlog of approximately 27,000 violations awaiting initial assessment. On the conference side of the program, there are some 50,000 violations awaiting conference action.

Senator BYRD. Your justification indicates the burden of handling penalty assessments has shifted to you from the Office of Hearings and Appeals because of procedural changes. Do you happen to know why this isn't reflected by a decrease in that office?

Mr. BARRETT. Mr. Chairman, we in MESA work on a daily basis with the Office of Hearings and Appeals. They have indicated to me that a greater number of civil penalties cases require full evidentiary hearings. I am sure that they would like to expand more fully to your question when they appear before you next week.

## STATE GRANTS

Senator BYRD. Again this year MESA is requesting \$1 million for grants to coal producing States, which is \$4 million below the authorized level. How do you develop your grant estimates?

Mr. BARRETT. The request for grant funding was developed using as a guide both the State requests and their performance. In previous years the \$1 million amount has been adequate for State matching needs.

Senator BYRD. Is the \$1 million grant level sufficient to meet the State proposals? If not, what is the anticipated need for 1976 and 1977 fiscal years?

Mr. BARRETT. We anticipate that we will not be able to fund all State proposals. The initial estimates of matching proposals from the States totalled about \$2.2 million. If all of these materialize as firm State proposals, we would be about \$1.5 million short in fiscal year 1977. I believe we could obligate an additional \$800,000 through September 30.

## NON-COAL INSPECTION PROGRAM

Senator BYRD. The request for metal and nonmetal mine inspections is \$16.6 million, an increase of \$2.8 million over the anticipated 1976 program. The request includes 64 additional positions. Will this program level provide an adequate inspection program to all noncoal mines?

Mr. BARRETT. Our request for metal and nonmetal mine inspection activities has increased each year, but we still do not think that we have enough resources to do the job we eventually would like to see done.

Senator BYRD. The requested increase in mine inspections is directed at 700 new mines, yet your justification indicates there are some 800 new mines. Does this mean there is no minimum inspection program planned for about 100 mines?

Mr. BARRETT. Please let me clarify that item. There are presently about 2,300 mining operations—primarily sand and gravel, quarries, and open pit operations, which we do not yet reach with inspection service. The funding and manpower that we are requesting for fiscal year 1977 will reduce that number to 1,600.

## ACCIDENT PREVENTION PROGRAM

Senator BYRD. An additional \$400,000 and 20 new positions are requested to implement a special accident prevention program for noncoal mines. Is this special program to be directed mainly at surface mines?

Mr. BARRETT. We plan to concentrate our efforts on the larger mining operations, both underground and surface, having disabling injury frequency rates much higher than the existing industry average. The exact number or the mix of underground and surface operations to be selected for inclusion in the program has not yet been determined.

Senator BYRD. When do you anticipate it will be possible to assess the effectiveness of the special program if the requested increases are funded?

Mr. BARRETT. I would like to think that to the victim each accident is significant. Once we initiate the program I should think that we would know something after the first 3 months. If the frequency rates are down then we have made an impact. In the long run, it will be management's attitude in keeping those rates down that will prove the real effectiveness.

#### SPECIAL HEALTH INSPECTION PROGRAM

Senator BYRD. At what specific problems are you directing your proposed \$550,000 comprehensive health inspection for noncoal mines?

Mr. BARRETT. Mines and mills to be included under this program are those that process materials that contain mineral fibers such as asbestos and talc, high silica content and arsenic or lead. Also to be included are operations where high radiation exposure is possible such as uranium mines and some other nonuranium mines such as underground phosphate mines. Operations where very high noise levels are encountered will also be included.

Senator BYRD. How often will you be inspecting the 600 targeted mines under the special health program?

Mr. BARRETT. We are proposing to do a comprehensive inspection twice a year. If we find that the effort is not effective we will have to increase the inspection frequency by reducing the number of mines covered.

#### TECHNICAL SUPPORT

Senator BYRD. Your request for a \$13 million technical support program involves an increase of nearly \$1.8 million and 30 new positions. This program has expanded rapidly in the past 3 years. How much more expansion do you foresee?

Mr. BARRETT. I cannot put it in terms of dollars and people, but I do see a need for future expansion. We must increase to keep pace with the expanding mining industry. We must also expand to provide needed assistance for our inspectorate. We have already covered foreseeable needs in the mine waste and heavy equipment programs. As mining continues to become more complex, greater demands for assistance must be met.

Senator BYRD. Your actual program increases involve \$1.3 million for waste disposal, mining equipment approval, and illumination and electrical testing. Where is this work mainly being conducted?

Mr. BARRETT. The waste disposal in-house analytical testing will be conducted at our service centers in Pittsburgh and Denver. Necessary field testing and investigation will be on-site in cooperation with our inspections offices.

Mining equipment testing will be shared between our testing facilities in Pittsburgh and our heavy equipment facility in Wheeling, W. Va. Our illumination chamber, where most of the testing will be done, will be located in Beckley, W. Va., with supportive testing being conducted in Pittsburgh.

Senator BYRD. How is that work being coordinated with related Bureau of Mines research?

Mr. BARRETT. MESA's technical investigative work may require the performance of various analytical tests in-house and in the field. These studies, generally of short-term duration, are undertaken mainly to gain technological knowledge, acquire necessary data, and develop applicable methods to resolve immediate, critical problems discerned in mining activities. MESA conducts only specific tests and studies as mentioned above. We do not engage in carrying out R. & D.-type projects, which are generally performed by the Bureau of Mines. Through working experience, however, we recognize a number of problematical areas which need extensive research and study to generate suitable solutions for these problems and anticipated future problems. These problem areas are forwarded to the Bureau of Mines for inclusion in its overall research and development program.

Senator BYRD. Your technical support activity has no breakdown of funding and personnel by subactivity. Please supply such a breakdown for the record covering the 1975, 1976, and 1977 fiscal years.

Mr. BARRETT. We do not have a subactivity accounting record. We do maintain suborganizational accounting on a facility basis which I will supply for the record.

[The information follows:]

Technical Support  
Suborganizational Distribution  
Funding (in thousands) and Positions  
FY 1975-1977

Suborganization	FY 1975		Estimate FY 1976		Estimate FY 1977	
	Funds	Positions	Funds	Positions	Funds	Positions
Headquarters, Arlington, Va. <u>1/</u>	\$1,162	18	\$1,378	21	\$1,555	21
Illumination/Electrical Testing Project, Beckley, W.Va.	50	2	365	15	655	20
Pittsburgh Technical Support Center	4,101	155	4,678	153	5,648	173
Denver Technical Support Center	1,950	78	2,250	72	2,400	77
Health and Safety Analysis Center, Denver, Colo.	1,916	67	1,570	63	1,827	63
Mining Equipment Safety Laboratory, Wheeling, W.Va.	--	--	1,195	16	565	16
Overhead	<u>191</u>	<u>10</u>	<u>323</u>	<u>16</u>	<u>352</u>	<u>16</u>
Total	9,370	330	11,759	356	13,002	386

1/ Includes funding for mine emergency operations contracts and assistance activities.

## PROGRAM ADMINISTRATION

Senator BYRD. Your program administration stays at about the same level for 1977, some \$2.1 million. This is commendable, but how did you achieve that in view of the wide program expansion being requested?

Mr. BAKER. We in MESA make a conscious effort to hold administrative costs at a minimum. For example, 94 percent of our staff are headquartered in the field.

There are many ways of allocating overhead costs. The method which MESA has used since its inception is to distribute overhead costs on an incremental assessment basis. By that I mean the base staff needed to support an independent agency such as MESA is charged against the program administration activity. As programs are increased, necessary support charges are made against the benefiting program.

In our budget justification we indicate the amount of the additional supporting costs by benefiting program. The total of these additional supporting services is estimated to be \$2,376,000 for fiscal year 1977.

## PAY COSTS

Senator BYRD. About \$4 million of your requested overall funding increase is for annualizing various pay costs, including full year salaries of new personnel approved in 1976. Looking at your hiring experience to date, do you still think you need that much for annualization of 1976 increases?

Mr. BAKER. Yes, Senator, we do. Current hiring practices do not affect our fiscal year 1977 annualization requirement. They affect our financial condition only during the current year. As long as we have our positions filled at the end of the fiscal year we will need the full amount of the annualization request.

One of the reasons that the request is higher than normal is that, because of the lateness of the Appropriation Act, new positions were funded for only 6 months rather than 9 months as originally requested.

Senator BYRD. Please supply for the record the number of new positions authorized in fiscal year 1976 that were not filled by January 31 and indicate when you expect to have them filled.

Mr. BAKER. I can supply that information now; 193 additional positions were authorized for fiscal year 1976. As of January 31, we were 7 under our employment ceiling. Since that time we have increased our employment. Currently we have 3,025 on board against a June 30 employment ceiling of 3,022.

## NEW POSITIONS

Senator BYRD. For the 309 new positions requested in 1977, how did you calculate the requested compensation. Are they budgeted for the full year?

Mr. BAKER. The requested compensation for the new positions was based on the entrance level salary rates and reduced on the basis of estimated hiring lags. We have continued the practice of budgeting new inspector positions at the GS-9 level and requesting additional funding each year for promotions until they reach the GS-12 journeyman level. On an average, the new position are budgeted to be filled for approximately 9 months during the fiscal year.

## OBLIGATION CHANGES

Senator BYRD. With the completion of the Academy in fiscal year 1976, why do you need such a sharp increase in "Other services" for 1977?

Mr. BAKER. The increase in other services reflects the hiring out of operation and maintenance services for operating the Academy. What is misleading is the coding of costs for construction of the Academy. Although it was constructed through contract, those costs have been included in another object class entitled "Lands and structures".

Senator BYRD. Please explain the sharp drop in equipment obligations in 1977 and the change in your 1976 estimate from your original request. Even with the pending supplemental your equipment estimate is down in 1976.

Mr. BAKER. The decrease in equipment obligations in fiscal year 1977 consists of two one-time items. The first is \$2,100,000 for equipping and furnishing the Academy. The second is the proposed supplemental for automobile purchases totalling \$1,345,000.

There has been a reduction in our original fiscal year 1976 equipment request compared to our current estimate. Congressional action on the requests for waste impoundments and electrical laboratories made substantive reductions. In addition, the realization in fiscal year 1975 that we had underbudgeted our travel requirements forced us to again reorder our priorities. We felt that reducing equipment expenditures would have the least detrimental effect on our programs.

## ADDITIONAL QUESTIONS SUBMITTED

Senator BYRD. I have a meeting at 11 o'clock with Mr. Mansfield, so I will ask Senator Stevens to proceed with the hearing. He will have questions of you, Dr. Fisher, and for you, Mr. Barrett, and for your other associates in MESA.

He will also have Dr. Thomas Falkie, the Director of the Bureau of Mines, and he will carry on the hearings. I believe we also have Geological Survey witnesses. I have other questions provided by Senators McGee and Huddleston which I will submit for the record to be answered.

[The questions and answers follow:]

## Questions Submitted by Senator Gale W. McGee

Question: The State Grant Program authorized by the Coal Mine Health and Safety Act permits the Secretary of the Interior to make grants to coal producing states for coal related programs. Please provide for the record a detailed breakdown of amount provided the State of Wyoming for the past three fiscal years.

Answer: To date, the State of Wyoming has not submitted a proposal for a state grant. However, with the increasing coal production we would anticipate proposals by the state for funding under our matching grant program.

Question: I understand that the level of funding for this program is inadequate. What level of funding would be necessary to fully implement this program, recognizing of course the \$5 million authorization limit.

Answer: Based on requests that the states have submitted we feel that an additional \$800,000 would be needed during FY 1976 and the Transition Quarter. It is anticipated that \$2.5 million would be needed during FY 1977.

Question: The accident rate appears to be increasing in strip mining operations as compared to underground mines. Please provide a table indicating the accident rate and number of fatal and nonfatal accidents in these strip mining operations. Indicate figures for Wyoming also.

Answer:

1975 - Nationwide Coal Mining

<u>Type Mining</u>	<u>Fatal Accidents</u>	<u>Fatal Rate</u>	<u>Nonfatal Accidents</u>	<u>Nonfatal Rate</u>
Surface	44	0.25	4,870	37.55
Under-ground	111	0.44	14,826	64.01

1975 - Wyoming State Coal Mining

<u>Type Mining</u>	<u>Fatal Accidents</u>	<u>Fatal Rate</u>	<u>Nonfatal Accidents</u>	<u>Nonfatal Rate</u>
Surface	0	0	125	22.90
Under-ground	0	0	10	22.82

Question: As you know, my state will be one of those most affected by strip mining of coal. What efforts are you undertaking, and what efforts are planned to minimize accidents at these mines?

Answer: MESA's strip mining efforts include a complete inspection of each surface mine three times a year. In addition, a spot inspection is conducted at least once a month during periods when the three yearly inspections are not being conducted.

Specialists in fields, such as, electrical, ground control, and education and training, are also available to work with specific problem areas.

Question: Please outline in detail how MESA is cooperating with the State of Wyoming in administering mine health and safety programs.

Answer: Under the Federal Coal Mine Health and Safety Act of 1969 MESA inspectorate work closely with state inspection agencies in conjunction with approval of mine plans, accident investigations, and certification of mining personnel.

In the field of metal and nonmetal mines, health and safety programs are administered in close cooperation with the state mine inspection agency.

The state is notified at all times of planned MESA activities including inspection schedules and plans thus enabling state inspection personnel to accompany our inspectors for concurrent inspection purposes. Accordingly, we maintain a cooperative exchange of inspection and investigation reports.

Cooperative training of state mine inspection personnel in mine inspection and investigation procedures and the use and maintenance of inspection equipment and instruments have also been provided.

Two experienced Education and Training instructors under the direction of the MESA Training Center Chief in Denver, Colorado, are now permanently stationed in Wyoming. One is headquartered in Sheridan and one in Rock Springs.

These instructors have scheduled classes in Wyoming to include all of the courses required under the Coal Mine Health and Safety Act of 1969 and the Metal and Nonmetallic Mine Safety Act of 1966. The classes are being located within easy travel of all coal and metal operations.

MESA has trained 93 private industry cooperative instructors to teach health and safety courses.

Last year training was given at 14 metal mines; 21 nonmetallic mines; and 20 coal mines.

Technical assistance is also provided to those mine operators that are experiencing difficulties in complying with the provisions of the Coal Mine Health and Safety Act of 1969 and the Metal and Nonmetal Mine Safety Act.

Senator BYRD. Senator Stevens, I thank you for allowing me to leave at this moment. Thank you very much, Mr. Barrett.

Mr. BARRETT. Thank you, sir.

Dr. FISHER. Thank you, Mr. Chairman.

Senator BYRD. Thank you, Dr. Fisher.



## BUREAU OF MINES

## STATEMENT OF DR. THOMAS V. FALKIE, DIRECTOR, BUREAU OF MINES

## ACCOMPANIED BY:

DR. THOMAS A. HENRIE, ASSOCIATE DIRECTOR, MINERAL AND MATERIALS RESEARCH AND DEVELOPMENT

DR. JOHN D. MORGAN, JR., ASSOCIATE DIRECTOR, MINERAL AND MATERIALS SUPPLY/DEMAND ANALYSIS

WILLIAM D. OYLER, CHIEF, DIVISION OF BUDGET

BILL BETTENBERG, DEPUTY DIRECTOR, OFFICE OF BUDGET, DEPARTMENT OF THE INTERIOR

## BUDGET REQUEST

Senator STEVENS [presiding]. Thank you very much.

Let us proceed to hear the fiscal 1977 budget estimates of the Bureau of Mines. They total \$154,370,000, which is a reduction of some \$3 million in appropriations to date for fiscal year 1976. The justifications have been included in part 1 of the hearing record.

## PREPARED STATEMENT

Dr. Falkie, welcome again. Please introduce those with you at the witness table and highlight your opening statement. The full prepared statement will be printed in the record.

[The statement follows:]

Mr. Chairman:

Thank you for this opportunity to discuss the programs of the Bureau of Mines and to present our budget request for fiscal year 1977.

The Bureau of Mines has been the major Federal agency concerned primarily with mining and metallurgy since its establishment in 1910. Bureau researchers represent the Federal Government's principal scientific and engineering effort in the fields of mineral recovery and processing. Bureau findings have contributed significantly to virtually every phase of growth in the Nation's mineral industry.

Bureau expertise has never been more at a premium than it is today. Consumption of both the energy and non-energy minerals is accelerating at a rapid pace, not only in this country but all over the world. We may be in no danger of running out of most minerals, but we certainly need to improve on the technology needed to recover them economically from deposits that are lean and from other sources such as industrial and urban wastes. The cream has been skimmed. What remains will be more difficult to recover than ever before. More sophisticated methods that are fully compatible with worker health and safety and environmental goals are needed for mining and processing and recycling--specialties in which Bureau scientists have demonstrated skill.

Although it is by now a familiar story, let me briefly review the circumstances that now govern mineral policy in this country.

#### Mineral Supply and Demand

The United States, once largely independent of foreign mineral supplies, now imports a substantial share of its mineral requirements. Some minerals we import because we have few deposits of our own--chromium and platinum, for example. Some of the minerals that we import, such as bauxite, could be replaced by plentiful low grade domestic substitutes--given the necessary investment in technology. The same thing applies to those imported minerals, such as iron ore, that we import because it is cheaper to do so than to mine our own lower grade deposits.

This tendency to opt for foreign rather than domestic resources has had a predictable effect on the Nation's mineral economy. In 1975, we imported \$40 billion worth of raw and processed minerals, while exporting \$18 billion worth--for a net minerals trade deficit of \$22 billion.

To the economic disadvantages of importing minerals must be added the uncertainty of some foreign supply sources, as exemplified by the 1973 oil embargo and, more recently, the threat of other mineral trade sanctions.

But the Nation's mineral difficulties are not all traceable to foreign considerations. At home, stringent environmental standards and expensive pollution control requirements have added to the cost of mineral production; inflation and a sluggish economy have cut into the investment capital needed by the mineral industry for new plants and equipment.

Whatever the problems, there can be no question but that maintaining a steady domestic supply of minerals and energy is essential to the economic welfare of the Nation. Minerals and mineral products provide the basis for about a fourth of the Gross National Product. As such, minerals and mineral products are the very foundation of our industrialized society wherein they are found in all facets of commerce and manufacturing. Each year, Americans consume more than two billion tons of new non-fuel mineral materials, and burn two billion tons of fuel. Filling requirements of that magnitude will require accelerated technological efforts in which Bureau of Mines scientists will continue to play a major role.

Budget Request

The Bureau of Mines appropriation request for fiscal year 1977 is \$154,370,000, down \$4,524,000 from FY 1976. The decrease for the most part reflects the fact that Metallurgy Research received a substantial increase last year to design an experimental alumina processing plant and to build a pilot plant to remove sulfur dioxide from power plant flue gases. Contracts for both these projects are currently being negotiated. In addition, engineering demonstration projects for controlling subsidence in Wyoming and Pennsylvania will have been completed before fiscal year 1976 ends.

Metallurgy Research--\$21,567,000

Finding substitutes for critical imported minerals is an important concern of Bureau metallurgists. A substitute for bauxite has been assigned high priority. Aluminum is made from imported bauxite, but can also be made from common domestic clays and other materials that are low grade but abundant domestically. In cooperation with ten aluminum firms, the Bureau has constructed a small integrated facility where the feasibility of processing domestic materials to produce alumina is being thoroughly tested.

Experiments thus far have been encouraging, and present plans call for expanding the test plant to a 50-ton-per-day pilot plant in FY 1978. This facility will permit installation of second-generation technology and should supply definitive information on the technical and economic feasibility of extracting alumina from domestic resources.

Similar in scope is the Bureau's work on nonmagnetic taconites. The country has vast reserves of such iron ore, but the reserves have been neglected because former processing techniques require that the iron content be magnetic. A flotation method for concentrating nonmagnetic ore was developed by the Bureau and has since proven practical on a commercial scale. Cleveland Cliffs, a major processor of iron ore, has incorporated the new Bureau technique in construction of a large new mill in the upper Midwest, with the happy result that the country's mineral resource base was expanded, new jobs were created, and a local economy received a welcome economic transfusion.

The technique is not applicable, however, to all nonmagnetic taconites found in the Great Lakes Region. To pave the way for further utilization of vast resources in this area, Bureau metallurgists will in FY 1977 test three additional methods for processing other nonmagnetic taconite ores, comparing their effectiveness on different types of nonmagnetic ore from different regions.

Another means of alleviating mineral shortages lies in recycling. Bureau researchers pioneered in the field of urban refuse recycling, and their automated systems for reclaiming minerals from raw refuse and incinerator ash have served as models for a number of municipal recycling systems throughout the world. In addition to this research, we are investigating the recovery of useful materials from scrapped automobiles, particularly light metals and plastics which are being used in increasing amounts. Because plastic is derived from petroleum products its potential as a reusable product is becoming increasingly important. Studies now underway suggest that different types of scrap plastic can in fact be separated economically and the materials used to fabricate new plastic products.

Industrial scrap and wastes are other possible sources of critical materials. Bureau efforts to treat wastes in order to expand the supply of certain metals and materials, such as zinc, chromium and nickel from plating and leaching solutions, and sulfur from industrial stack gas also serve to avoid environmental damage from these wastes.

These are only a few of the projects presently requiring the attention of the Bureau's Metallurgy Research team. Other long-term projects, such as improving the strength and durability of mineral products, are no less important.

#### Mining Research--\$107,130,000

The overall goal of Mining Research is to develop improved methods for extracting all types of minerals from the earth. Because of the Nation's recent drive for energy self-sufficiency, the Bureau's Mining Research effort has responded with a major technological effort in improving coal extraction. The Nation's growing appetite for non-energy minerals has also prompted the Bureau to intensify its efforts in developing the needed technology to recover lesser and deeper mineral deposits. These efforts are complicated by the fact that they must be a three-pronged integrated effort; full consideration must be given to safeguarding miner health and safety and preserving environmental quality as well as boosting productivity.

The overall goal of the coal mining research program is the development and demonstration of coal mining technology which results in a reduction in the cost of coal, more assured protection of the health and safety of the miner, more efficient use of our coal resources and reduced environmental effects of mining. The Bureau of Mines has developed a comprehensive coal mining research, development, and demonstration program which will provide improved coal mining and processing technology and accelerate its introduction.

The program has been structured to produce a stream of improved technology from 1977 on. It relies heavily on industry participation in the form of cost sharing contracts and other mechanisms to increase the effectiveness of each RD and D dollar and to help assure industry acceptance of this new technology. Emphasis in the near term has been placed on incremental improvements suitable for immediate application in today's industry with the longer term goal of increasing the degree of automation of the mining processes. Innovative mining systems that will be needed in the future to mine multiple seams or very deep or very thick seams are also receiving our attention.

The Bureau's coal preparation research program will be substantially expanded in developing technologies to upgrade domestic coals for providing an environmentally acceptable fuel in direct-fired boilers and utility plants. Research on coal desulfurization by physical and chemical processes is vital in achieving energy self-sufficiency in the near term. Longer range research programs on determining coal reserve qualities and improving coal beneficiation technology will continue on an expanded scale.

Bureau engineers and scientists will continue their long-term efforts on other mining problems, notably those involving the health and safety of miners. The Bureau philosophy is that the most enduring health and safety benefits can best be obtained from research and development aimed at designing the hazards out of the mining system, thus minimizing the threat of accidents due to human error.

The Bureau also recognizes that, until such design changes can be made, short-term health and safety problems must be dealt with. Both concepts are receiving attention. A broad program underway on fire and explosion prevention, for example, addresses both immediate and long-term needs; studies of geological systems as they relate to mine planning and design, on the other hand, may not produce immediate results, but could one day play an important role in efforts to make mining more accident-proof. For example, Bureau mining researchers who work on metals and other non-fuel materials

are basically dealing with the problem of ever-deeper and lower-grade ores. Because of the necessity to seek leaner ores, the costs and risks of mining are rising steadily. Researchers are developing improved premining investigation methods, so that mining can proceed with less chance of costly setbacks. A modest metal and nonmetal mine health and safety program is also conducted which addresses current problems such as falls of ground, electrical and machinery hazards, noise and radiation.

Several mining research projects have already begun to produce major benefits. Field demonstrations in Pennsylvania and West Virginia indicate, for example, that the technology is now available to degasify the Pittsburgh coal bed ahead of mining in many locations, thus improving underground mine safety and making available a new source of clean burning high Btu gas. At an experimental borehole in West Virginia, we have already supplied over 275 million cubic feet of gas from a coal seam to a commercial pipeline for ultimate consumer use.

#### Data Collection and Analysis--\$14,913,000

The Bureau of Mines is the principal government source for mineral information needed by business and government. Such information, made available on a timely basis, is increasingly essential in the formulation of administrative and policy decisions by government and industry.

Until recently, Bureau information storage and retrieval was done by a combination of manual and automated methods. Last year, a totally automated mineral information system was launched that will have greater capacity and broader capabilities. Information transfer to the new system will be completed in FY 1977 and it will be fully operative in FY 1981.

While this and other innovations on the part of Bureau technologists will help speed the analysis and dissemination of mineral information, it must be remembered that the Bureau must rely primarily on industry for basic data. Such data, whether gathered by canvass, from published articles, or through industry contact, always pose problems of completeness and accuracy, and must be carefully verified. The Bureau, with its years of experience and its well balanced professional staff is eminently qualified to make the needed evaluations and produce meaningful analyses.

Recent major data collection efforts within the Bureau include publication of a forecast of energy use in the U.S. through the remainder of the century, and publication of a 96-page report on the mineral resources of China--the first overall study of China's position in the energy and minerals field. The Bureau also regularly issues statistical material on each of the major commodities consumed in the U.S. Of particular importance is the Bureau's recent efforts to provide improved mineral statistics on production, consumption, exports, imports, inventories and price that are current and timely through its "Minerals and Materials/a monthly survey" publication.

#### Engineering, Evaluation, and Demonstration--\$9,273,000

A principal responsibility of this research and engineering group is to prevent environmental damage from past mining and processing operations, and to develop methods of repairing or preventing such damage in cases where the potential is great.

The anthracite region in northeastern Pennsylvania provides an important testing ground. Although anthracite has long since been replaced by oil and gas as the area's principal fuel source, many of the environmental problems caused by past mining and mineral processing still remain. Indeed, the area

is a microcosm of the diverse environmental problems common to all coal producing areas, including subsidence of underground mines, abandoned and unrestored strip mines, uncontrolled underground fires, and others. Consequently, the area serves ideally as a laboratory for developing mined land control and protection technology. Similar efforts in the bituminous coal regions of the Nation are underway using many of the techniques developed in the anthracite region.

Some specific projects scheduled for FY 1977 include developing new mined-land revegetation methods; improving the technology for extinguishing underground coal fires; utilizing coal refuse as an energy source; and, undertaking infra-red and other airborne scanning techniques to monitor mined-land damage.

This segment of the Bureau's program is also responsible for assessing the mineral potential of publicly owned lands. Of particular concern, in this regard, are the 39.1 million acres of public land slated for inclusion in the National Wilderness Preservation System. In the Wilderness Act, Congress called for the Bureau and the Geological Survey to evaluate the lands prior to 1983 and to recommend which areas with high mineral potential should be excluded from the Wilderness System.

Mr. Chairman, this concludes my statement. I will do my best now to answer any questions that you or the other members of the Subcommittee may have.

# FISCAL YEAR 1977 BUDGET REQUEST

(IN THOUSANDS)

	<u>FY 1976</u>	<u>FY 1977</u>	INCREASE (+) OR DECREASE (-)
METALLURGY RESEARCH .....	\$ 27,048	\$ 21,567	-\$5,481
MINING RESEARCH	102,900	107,130	+ 4,230
DATA COLLECTION AND ANALYSIS ...	14,479	14,913	+ 434
ENGINEERING, EVALUATION, AND DEMONSTRATION .....	13,063	9,273	- 3,790
PROGRAM ADMINISTRATION .....	1,404	1,487	+ 83
<b>TOTAL, MINES AND MINERALS</b>	<u>\$158,894</u>	<u>\$154,370</u>	<u>-\$4,524</u>

# FISCAL YEAR 1977 BUDGET INCREASES AND DECREASES (IN THOUSANDS)

	<u>FY 1977 CHANGE</u>
<u>PROGRAM INCREASES</u>	
ADVANCING COAL MINING & PREPARATION TECHNOLOGY .....	+\$ 5,116
<u>PROGRAM DECREASES</u>	
ALUMINA PILOT PLANT DESIGN .....	- 1,500
CITRATE PROCESS PILOT PLANT CONSTRUCTION .....	- 4,115
ENERGY USE PATTERNS STUDY .....	- 309
ESTABLISHMENT OF CARBONDALE MINING RESEARCH CENTER .....	- 1,500
ANTHRACITE MINED LAND DEMONSTRATIONS .....	- 1,978
ROCK SPRINGS SUBSIDENCE CONTROL .....	- 1,500
MINERAL EVALUATIONS - ALASKA & OTHER AREAS .....	- 500
SUBTOTAL	- 11,393
<u>PAY AND SPACE INCREASES</u>	<u>+ 1,753</u>
NET DECREASE	- 4,524

**FISCAL YEAR 1977 BUDGET REQUEST  
METALLURGY RESEARCH  
PROGRAMS**

<u>PROGRAM</u>	<u>FY 1976</u>	<u>FY 1977</u>
ADVANCING MINERALS TECHNOLOGY .....	\$13.9	\$12.1
EFFECTING POLLUTION ABATEMENT .....	7.5	3.4
SECONDARY RESOURCE RECOVERY .....	2.1	2.1
MINIMIZING MINERAL AND METAL NEEDS .....	3.5	3.5
PAY AND SPACE INCREASES .....	—	0.5
<b>TOTAL .....</b>	<b>\$27.0</b>	<b>\$21.6</b>

**FISCAL YEAR 1977 BUDGET REQUEST  
METALLURGY RESEARCH  
ACCOMPLISHMENTS**

**ADVANCING MINERALS TECHNOLOGY**

IRON AND STEEL  
ALUMINA  
GOLD AND SILVER  
FERTILIZER MINERALS  
ENERGY USE PATTERNS  
URANIUM

**POLLUTION ABATEMENT**

CITRATE PROCESS  
MINERAL WASTE STABILIZATION

**SECONDARY RESOURCE RECOVERY**

URBAN REFUSE  
AUTO SCRAP  
INDUSTRIAL WASTES

**MINERALS AND MATERIALS  
CONSERVATION**

CORROSION  
CERAMICS  
SUBSTITUTES

**FISCAL YEAR 1977 BUDGET REQUEST  
MINING RESEARCH AND  
ENGINEERING PROGRAMS**

<u>PROGRAM</u>	<u>FY 1976</u>	<u>FY 1977</u>
<u>HEALTH &amp; SAFETY RESEARCH</u>		
COAL HEALTH & SAFETY RESEARCH .....	\$29.4	\$29.4
METAL & NONMETAL HEALTH & SAFETY RESEARCH .....	5.7	5.7
<u>ADVANCING MINING TECHNOLOGY</u>		
COAL MINING .....	56.2	59.8
- OIL SHALE MINING .....	5.6	5.6
METAL & NONMETAL MINING & EXPLOSIVES .....	6.0	6.0
<u>ENVIRONMENTAL CONTROL DEMONSTRATIONS</u>		
<u>MINED LAND INVESTIGATIONS &amp; DEMONSTRATIONS-</u>		
ANTHRACITE AREA .....	5.8	3.8
ROCK SPRINGS SUBSIDENCE CONTROL .....	1.5	—
FIRE CONTROL IN COAL DEPOSITS .....	0.2	0.2
<u>PAY AND SPACE INCREASES</u> .....	—	0.6
<b>TOTAL .....</b>	<b>\$110.4</b>	<b>\$111.1</b>

**FISCAL YEAR 1977 BUDGET REQUEST  
ADVANCING COAL MINING  
TECHNOLOGY PROGRAMS  
(MILLIONS)**

<u>PROGRAM</u>	<u>FY 1976</u>	<u>FY 1977</u>
COAL MINE DEVELOPMENT .....	\$ 8.0	\$ 9.0
LONGWALL AND SHORTWALL MINING .....	12.1	12.9
CONVENTIONAL AND CONTINUOUS MINING .....	13.3	13.8
ADVANCED MINING SYSTEMS .....	8.7	10.0
SURFACE COAL MINING .....	10.0	10.7
COAL PREPARATION .....	1.1	2.1
SUPPORTING STUDIES .....	1.5	1.3
ESTABLISHMENT OF CARBONDALE CENTER .....	1.5	—
<b>TOTAL .....</b>	<b><u>\$56.2</u></b>	<b><u>\$59.8</u></b>

**COAL AND METAL AND NONMETAL MINE  
HEALTH AND SAFETY RESEARCH  
(MILLIONS)**

<u>PROGRAM</u>	<u>FY 1976</u>	<u>FY 1977</u>
FIRES AND EXPLOSIONS	\$3.9	\$3.6
METHANE CONTROL	1.8	1.4
FIRES AND EXPLOSIONS, OIL AND GAS WELLS	0.1	0.1
GROUND CONTROL	8.2	8.4
INDUSTRIAL-TYPE HAZARDS	7.7	9.2
RESPIRABLE DUST	2.4	2.3
RADIATION HAZARDS	0.9	1.0
NOISE	1.0	1.0
INDUSTRIAL HYGIENE	1.7	1.6
VENTILATION	0.3	0.3
POST DISASTER	1.7	1.5
ADVANCED MINING SYSTEMS	0.3	—
SYSTEMS ENGINEERING	5.1	4.7
<b>TOTAL</b>	<b>\$35.1</b>	<b>\$35.1</b>

**FISCAL YEAR 1977 BUDGET REQUEST  
MINERAL AND MATERIALS SUPPLY/DEMAND  
ANALYSIS PROGRAMS  
(MILLIONS)**

<u>PROGRAM</u>	<u>FY 1976</u>	<u>FY 1977</u>
DATA COLLECTION AND VERIFICATION .....	\$ 5.1	\$ 5.1
EVALUATION AND ANALYSIS .....	3.8	3.8
INFORMATION DISSEMINATION .....	3.3	3.3
STATE LIAISON .....	2.3	2.3
WILDERNESS AND ENGINEERING INVESTIGATIONS .....	5.5	5.0
PAY AND SPACE INCREASES .....	—	0.6
<b>TOTAL .....</b>	<b>\$20.0</b>	<b>\$20.1</b>

## OPENING REMARKS

Dr. FALKIE. Thank you very much.

It is a pleasure to be here, Senator Stevens. I would like to introduce Dr. Tom Henrie, our Associate Director of Research and Development, Dr. John Morgan, our Associate Director for Mineral Supply/Demand Analysis, and Bill Oyler who is our Budget Officer.

I understand that the committee is pressed for time. I would like to submit my statement for the record, and I would like to take just a few moments to try to summarize that statement by way of a few charts.

I would prefer to stand by those charts, if that is all right with the chairman.

Senator STEVENS. Proceed any way you wish, Dr. Falkie.

## BUDGET REQUEST

Dr. FALKIE. As you said, the Bureau of Mines is submitting a budget that is \$154 million to cover all of the facets of the research and development program, the mineral evaluation program, the environmental demonstration program, and the data collection and analysis program.

The only increases being requested are in the mining research program of the Bureau of Mines. This includes some increases for our coal preparation program and the total extraction program increase in round numbers is \$5 million.

The decreases are in certain projects that are either completed or are funded this year to tie in with future programs, and certain other reductions. For example, the anthracite mined land demonstration program will be reduced by \$2 million. The Rock Springs subsidence control program will be funded to completion, and we expect to finish that shortly after the close of the fiscal year. Last year this Appropriations Committee put in a \$500,000 budget addition for us to do mineral evaluations on certain D-2 lands in Alaska and the New River Gorge proposed withdrawal area in West Virginia, and that is not included in the budget for 1977.

## METALLURGY RESEARCH

I would like to spend a minute talking about metallurgy. Most of the metallic-nonmetallic research that is done by the Federal Government is done by the Bureau of Mines.

The metallurgy program, although reasonably modest by Government standards, has been, in my judgment, one of the most successful research and development programs in the entire Federal Government. It is this area that we feel contains the key to unlocking ways to process and develop our own low-grade domestic resources, and recycling our scrap, our industrial wastes, and our urban waste; ways for substituting plentiful materials for non-plentiful materials, and ways to conserve the use of our mineral resources.

This program is being reduced primarily for two reasons. One is that we have money for designing or picking the design for an alumina pilot plant demonstration project for recovering alumina from our own low-grade domestic resources. That is in the budget this year. Secondly, our citrate process which is for scrubbing sulfur dioxide

from air effluent from industrial processes will be funded this year for a coal-fired powerplant.

We have had some outstanding successes in the metallurgy program, the most recent one being a plant dedicated in northern Michigan to recover iron from low-grade nonmagnetic taconites. Until now, processing these ores has been impossible. The Bureau of Mines invented a process that industry then developed further, which allowed us to increase our iron ore reserve. We are continuing this work.

We are working on various programs related to critical materials, strategic materials and the basic materials. This is where most of the work goes on. For example in the substitution area, we are trying to substitute rare earths instead of platinum for use in catalysts. For example, for automobile catalysts, we are working on using ceramics instead of scarce material. We are continuing our work on all types of industrial wastes, with special emphasis on mineral processes.

We have had a lot of success with our urban refuse program. Our flow sheet is now used in many locations throughout the country by municipalities for designing complex and complete systems for recovering mineral materials and energy materials from urban refuse. We are continuing a pilot plant program in our College Park metallurgy research program to assist these people in getting started.

#### MINING RESEARCH

The mining program, mining research and engineering which we have lumped together here, is the bulk of the budget for the Bureau of Mines. We will be expending over \$100 million next year. About 90 percent is on coal mining research, but we also conduct research on metal and nonmetal health and safety, and metal and nonmetal mining technology.

The mining program is structured to take a systems approach to solving the three basic problems of mining: namely, health and safety research, increasing productivity and production, especially of coal, and improving the environmental consequences of mining.

Senator YOUNG. Mr. Chairman, may I ask a question?

Senator STEVENS. Surely.

#### MINED LAND RECLAMATION ACTIVITIES

Senator YOUNG. With respect to environmental problems in the restoration of strip-mined land, how do you work with the States? Do you work with them at all?

Dr. FALKIE. Part of the advanced coal mining program includes surface coal mining. The program just started. We are working primarily on the combined mining-reclamation aspects of surface mining.

Senator, over the course of the last several months, we have been conducting workshops and seminars in various States throughout the country to determine what their research needs are in terms of helping them to make their enforcement programs more effective and to bring the technology along for building reclamation techniques into the mining cycle.

We have been working very closely with the States on this, and I suspect that it will give us leads for reprogramming, as necessary.

We have grants out to the various State agencies and universities for doing some of this work, including, for example, North Dakota University, which is doing some of our land reclamation research work for us. We have demonstration projects, for example, in Kentucky working with TVA and the Forest Service on developing a better economic picture of some of the more complex mining methods that need to be used on the steep hillsides in the eastern Appalachian area.

We have been making a conscious effort to get with State agencies, universities, and industries in individual States to make sure we have the different geography covered, and to make sure we get their input into the program.

#### FEDERAL VERSUS STATE STANDARDS

Senator YOUNG. As I understood Secretary Kleppe, where a State has a good conservation program in reclaiming strip-mined land, the State would be permitted to take over and have most of the responsibility.

Dr. FALKIE. You are talking about the enforcement aspect, Senator, and what Secretary Kleppe said was that where States have more stringent standards, provided they are not completely prohibitive, we will apply those standards to our regulations for enforcing the new and tighter strip mining regulations for mining on public lands.

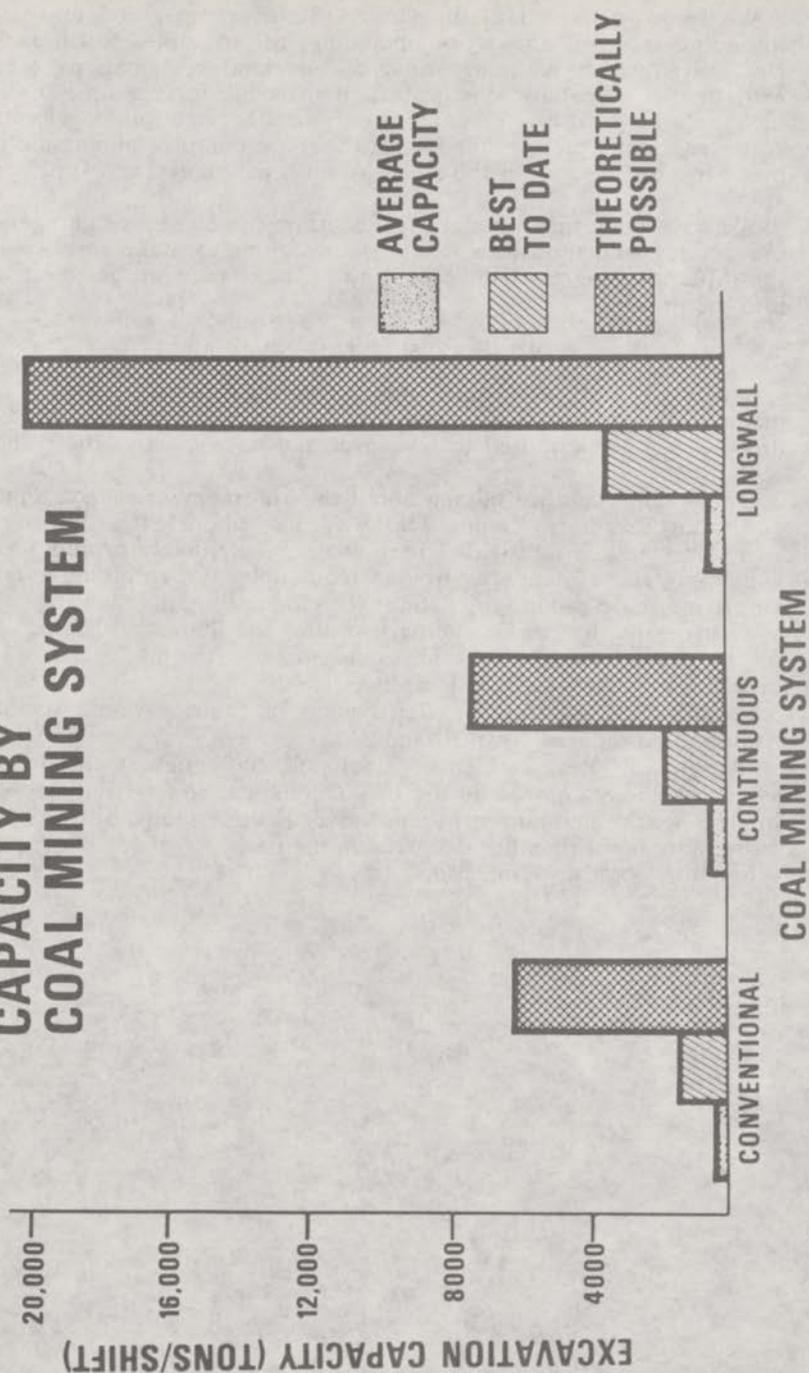
That means that we are going to follow the States' wishes in applying their standards, if they have essentially a tougher standard, and they feel that that standard is necessary.

Senator YOUNG. But the Department of Interior would retain jurisdiction on federally owned land?

Dr. FALKIE. Yes. Incidentally, Senator, the enforcement program, as you probably know, is in the U.S. Geological Survey. But essentially Interior would maintain jurisdiction over Federal lands, but with much more State input than has occurred in the past.

Senator YOUNG. Thank you.

# RELATIVE EXCAVATION CAPACITY BY COAL MINING SYSTEM



## COAL MINING RESEARCH

Dr. FALKIE. This is a chart, Senator, that shows the productivity of existing mining systems and in the orange it shows what design capacity is. The red shows what we have been achieving in this country.

The point we are trying to make here is that we feel that a good bit of our coal mining research program needs to be oriented toward evolving these existing systems into more efficient and safer systems for the short term.

But we also have programs for the long term and we are looking down the road to see how we are going to mine those thick, deep, underground seams in the West, the thick, deep seams in the East, the multiple seams, and so forth. We are taking a whole new look at 15 or 20 years down the road. We will be increasing our coal preparation program and this is very important for supplying the types of coals that will meet air effluent standards.

In the health and safety area we are working in every area where there is a hazard in the mine, dust, ground control, radiation hazards and so forth. I am not going into this in detail, but I want to make certain points.

## MINERAL INFORMATION SYSTEMS

On the information side, the Bureau of Mines still maintains the basic mineral information systems for the Federal Government. We have been strengthening this activity. We have been increasing coverage and trying to make reports more timely. We are trying to tie it even closer to our technical input, because one of the advantages of having a technical program is to tie these programs together. The budget will remain essentially the same, but we are working closely with FEA, for example, on energy information, and, of course, we are trying to improve our whole program where possible in the nonenergy areas of metallics and nonmetallics.

We have several new things in this area that are very significant. The new monthly publication, "Minerals and Materials—A Monthly Survey," gives up-to-date information on production, prices, inventories, and so forth for certain key mineral commodities. We have put out a new energy projection, "Energy Through the Year 2000."

We are getting more into the international area, because to develop policy for our own country we have to know more about what is going on internationally. One example of this is the Report on Minerals in China. We are doing a similar one on Africa, and we will be getting into other areas.

We have added new data to the coal reserve base. That is a capsule view of our program, and it would be possible to go into much more detail. I will now be happy to answer any questions that the committee might have.

Senator STEVENS. We will print those charts in the record following your statement, Mr. Falkie, and we appreciate that very much. Do you have any questions?

Senator YOUNG. No.

## HISTORY OF FUNDING REQUESTS

Senator STEVENS. We would like to have the details of the Department's request to the Office of Management and Budget so that we can compare what was allowed and disallowed by each activity and subactivity.

What are the main programs to which you assigned high priority that are not being funded under the budget request before us?

Dr. FALKIE. Well, Senator, every Bureau director, I imagine, in the Federal Government, would like to have increased funding and we appreciate the fact that there is a need to keep the total funding or total spending by the Federal Government to a restricted amount, but there are obviously areas which could receive increased attention in the various facets of our program, including mining, metallurgy, and mineral evaluation items.

Senator STEVENS. Well, please supply the details of your budget development.

[The information follows:]

Comparison of F. Y. 1977 Permanent Positions and Amounts Requested of Department (In target and Over Target), in Departmental Submission to OMB, and in President's Submission to Congress in January 1976  
\$ in thousands

	Requested of Department In - target		Subsequent Request for Oct. 1975 Pay Raise Requirements		Departmental Submission to OMB		Submission to OMB Compared with Over - target Request to Department to Increase (+) or Decrease (-)		President's Submission to Congress in January 1976		President's Submission to Congress Compared With Submission to OMB Increase (+) or Decrease (-)	
	Pos.	Amt.	Pos.	Amt.	Pos.	Amt.	Pos.	Amt.	Pos.	Amt.	Pos.	Amt.
1. Metallurgy:												
Advancing Minerals Technology	12,689	34,089	287		13,576	-20,800	12,133	-1,443				
Effecting Pollution Abatement	4,203	5,403	78		4,266	- 1,215	3,366	- 900				
Secondary Resource Recovery	2,488	2,988	56		2,544	- 500	2,144	- 400				
Minimizing Mineral and Metal Needs	3,511	5,011	79		3,590	- 1,500	3,490	- 100				
Facilities <sup>1/</sup>	--	20,200	--		--	-20,200	--	--				
Marine Minerals (ocean mining)	--	500	--		--	- 500	--	--				
Trace Elements	--	12,000	--		--	-12,000	--	--				
Office of Mineral Conservation	--	3,000	--		--	- 3,000	--	--				
GSA space cost increases	72	72	--		72	--	29	- 43				
1976 new positions annualization	113	113	--		113	--	113	--				
Pay act annualization	--	--	292		292	--	292	--				
Subtotal - Metallurgy	871	23,076	1,094	83,376	792	879	24,453	-215	840	21,567	-39	-2,886

<sup>1/</sup> The request to the Department covered construction of new Metallurgy Research Centers at Salt Lake City, Utah and College Park, Maryland

Comparison of F.Y. 1977 Permanent Positions and Amounts Requested of Department  
(in target and Over Target), in Departmental Submission to OMB, and in President's  
Submission to Congress in January 1976  
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	Requested of Department		Subsequent Request for Oct. 1975 Pay Raise Requirements		Departmental Submission to OMB		Submission to OMB Compared with Over - target Request to Department		President's Submission to Congress in January 1976		President's Submission to Congress Compared With Submission to OMB	
	In - target	Over - target	Pay Raise	Requirements	Pos.	Amnt.	Pos.	Amnt.	Pos.	Amnt.	Pos.	Amnt.
2. Mining Research:												
Coal Mine Health and Safety Research	29,145	29,930	215		29,360	- 785	29,360		29,360		--	
Metal and Nonmetal Health and Safety Research	5,569	14,884	46		8,615	-6,315	5,665		5,665		-2,950	
Advancing Coal Mining Technology	65,209	67,709	191		67,900	--	59,815		59,815		-8,085	
Advancing Oil Shale Mining Technology	5,625	6,325	13		5,638	- 700	5,638		5,638		--	
Advancing Metal and Non-metal Mining and Explosives	6,460	7,960	78		6,538	-1,500	6,038		6,038		- 500	
Ocean Mining (marine minerals)	--	1,500	--		--	-1,500	--		--		--	
Uranium	--	1,000	--		--	-1,000	--		--		--	
GSA space cost increases	471	471			471	--	240		240		- 231	
1976 new positions annualization	55	55			55	--	55		55		--	
Pay act annualization	--	--	319		319	--	319		319		--	
Subtotal-Mining Research	989	1,177	862		1,091	-11,896	-86		914		-177	
		129,834			118,896		107,130		107,130			

Comparison of F.Y. 1977 Permanent Positions and Amounts Requested of Department  
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	Pos.	Amt.	Pos.	Amt.	Pos.	Amt.	Pos.	Amt.	Pos.	Amt.			
3. Data Collection and Analysis													
Data Collection and Verification		5,586		7,786		7,735		- 150		5,112			
Evaluation and Analysis		4,376		6,824		5,345		-1,550		3,745			
Information Dissemination		3,267		3,267		3,332		--		3,332			
State Liaison		2,240		2,292		2,342		--		2,290			
GSA space cost increases		346		346		346		--		140			
1976 new positions annual- ization		126		126		126		--		126			
Pay Act annualization						168		--		168			
Subtotal - Data Collection and Analysis	544	15,941	743	20,641	453	686	19,394	-57	-1,700	480	14,913	-206	-4,481



Comparison of F.Y. 1977 Permanent Positions and Amounts Requested of Department  
(In Target and Over Target), in Departmental Submission to OMB, and in President's  
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	Requested of Department		Subsequent Request for Oct. 1975 Pay Raise		Departmental Submission to OMB		Submission to OMB Compared with Over - target Request to Department		President's Submission to Congress		President's Submission to Congress Compared with Submission to OMB		
	Pos.	Amt.	Pos.	Amt.	Pos.	Amt.	Pos.	Amt.	Pos.	Amt.	Pos.	Amt.	
5. Program Administration:													
General Administration	1,331	1,431	39	1,378	- 92	1,378		1,378					
Employee Compensation Payments	34	34		69	+ 35	69		69					
GSA space cost increases	8	8		8	--	8		8				+ 9	
Pay act annualization			23	23	--	23		23				--	
Subtotal - Program Administration	66	1,373	66	1,473	66	1,478	--	- 57	66	1,487	--	+ 9	
TOTALS - MINES AND MINERALS	2,705	162,387	3,500	258,787	2,391	3,007	177,906	-493	-83,272	2,535	154,370	-472	-23,536

## HIGH PRIORITY ITEMS

Senator STEVENS. You had some priority items obviously that were not allowed. Do you have any that were high priority items that were not allowed?

Dr. FALKIE. If I had a choice of saying what would you do if you were given a certain amount of money, I guess I would say that some increased attention needs to be paid to the metallurgy area because we have had a lot of interest since the embargo in late 1973 and 1974 on the whole business of mineral and material supply. We feel that we are on the verge of making some major breakthroughs, for example, in chromium from low-grade ore, nickel from low grade ore, so there is a lot more that we could be doing.

But, again, I want to emphasize that we are attempting to keep the budget at a reasonable level.

Senator STEVENS. We understand that, but the problem appears to be that you are taking a decrease at a time when there should be an increased emphasis in the minerals area.

## ACTIONS TO AVERT MINERALS SHORTAGE

What is your bureau doing about the domestic minerals shortage that is coming, and our growing dependence on foreign sources. What do you think private industry ought to be doing about it?

Dr. FALKIE. There are several things that should be done by the country, in terms of mineral policies and mineral technology development, one being to pay close attention to the public lands being withdrawn from mineral entry, those lands that have the highest geological potential for development of metallics and nonmetallics. We are involved in that from the standpoint of doing mineral surveys on it.

The second has to do with developing technology and our whole metallurgy research program is oriented primarily towards having a technical data base in the Federal Government, technological capability, and also working on specific problems for using our own low-grade mineral resources. For example, we are working on a process to recover chromium from low-grade domestic deposits. We are working on a process for using less chromium in making stainless steel.

We are working on a process for developing nickel from some of our low-grade deposits, and I feel that there is a need to do this kind of thing, to bring the technological base up to where we can use our own domestic resources.

## INDUSTRY PARTICIPATION

Senator STEVENS. Are you doing anything to stimulate the private sector to cooperate in this area?

Dr. FALKIE. Yes; as a matter of fact, we are, and I would like to use the alumina project we have as an example. We have a mini-plant project that is cofunded by the Federal Government, and 10 aluminum companies, where we are testing six different processes for developing alumina from our low-grade mineral resources like clays, alunite, dawsonite and so forth. Each company is providing \$50,000 a year, and this project is going on right now at full steam. This year we have \$2 million in our budget to take the work from

the mini-plant process and evaluate and begin to design a large-scale pilot demonstration plant. So one way of working with the industry is to get them involved on a cost-shared basis.

A second way is to stimulate their interest in R. & D. by carrying out cooperative agreements in their mines and in their plants and mills, where they allow us to come in and do work. And of course it costs them something to do this, and they become interested by having us there.

A third way is to conduct all kinds of seminars and workshops on specific problems throughout the country for small, geographically-oriented groups, to bring them along on what technology development is going on.

There are many other ways to use a technology transfer program, but one is to get them involved with the research from the very start, and that is what we are trying to do.

#### PROJECTED MINERALS NEEDS

Senator STEVENS. Several years ago you gave us a chart showing the year 2000 and the projected shortages in metals and minerals. I assume it is in this publication you have.

Could you summarize that and give us a chart again for our hearing record as to what your predictions are for shortages?

Dr. FALKIE. We will do a summary of mineral needs by the year 2000 for you, Senator.

[The information follows:]

# MINERAL PROBLEMS 1975 AND BEYOND

PRELIMINARY DATA, AUGUST, 1975  
BUREAU OF MINES



Major problems from the national viewpoint



Moderate problems from the national viewpoint



Minor or more localized problems

**S** Large stockpile excesses prevent a current problem

**E** U.S. exports contribute substantially to our balance of trade

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
ABRASIVES, NATURAL															
ABRASIVES, MANUFACTURES															
ALUMINUM (incl. BAUXITE & ALUMINA)															
ANTIMONY															
ARGON															
ARSENIC (byproduct of Copper)															
ASBESTOS, CHRYSOTILE															
BARITE															
BERYLLIUM															
BISMUTH (byproduct of Lead)															
BORON															
BROMINE															
CADMIUM (byproduct of Zinc)															
CALCIUM CHLORIDE															
CEMENT															
CESIUM															
CHLORINE, MANUFACTURED															
CHROMIUM (incl. FERROCHROMIUM)															
CLAYS															
COAL															
COBALT (byproduct of Copper & Nickel)															
COLUMBIUM (NIOBIUM)															
COPPER															
CORUNDUM & EMERY															
DIAMONDS, GEM STONES															
DIAMONDS, INDUSTRIAL, STONES, NATURAL															
DIAMONDS, INDUSTRIAL, BORT, NATURAL															
DIAMONDS, INDUSTRIAL, BORT, SYNTHETIC															
DIATOMITE															
FELDSPAR															
FLUORSPAR															
GALLIUM (byproduct of Aluminum & Zinc)															
GARNET															
GEM STONES, NON-DIAMOND															
GERMANIUM (byproduct of Zinc)															
GOLD															
GRAPHITE, AMORPHOUS															
GRAPHITE, MALAGASY CRUCIBLE															
GRAPHITE, SRI LANKA															
GREENSAND															
GYPSUM															
HAFFNIUM (byproduct of Zirconium)															
HELIUM (byproduct of Natural Gas)															
INDIUM (byproduct of Zinc)															
IODINE															
IRON ORE, STEEL & SCRAP															
KYANITE															
LEAD															
LIME															
LITHIUM															

a World resource inadequacy, next 4 decades  
 b US high-grade resource inadequacy, next 4 decades  
 c US low-grade resource inadequacy, next 4 decades  
 d US reserve inadequacy, next 4 decades  
 e US productive capacity deficiency, now  
 f US foreign exchange drain, now  
 g US vulnerability to foreign disruptions, now  
 h Mineral industry health and safety problems, now  
 i Mineral industry manpower problems  
 j Significant energy use, now  
 k Inadequate recycling, now  
 l Significant environmental impacts - air, now  
 m Significant environmental impacts - water, now  
 n Significant environmental impacts - land, now  
 o Load on US transport systems, now

## MINERAL PROBLEMS 1975 AND BEYOND

PRELIMINARY DATA, AUGUST, 1975  
BUREAU OF MINES



Major problems from the national viewpoint



Moderate problems from the national viewpoint



Minor or more localized problems

**S** Large stockpile excesses prevent a current problem

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	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
MAGNESIUM															
MANGANESE (incl. FERROMANGANESE)															
MERCURY															
MICA, SCRAP & FLAKE															
MICA, SHEET															
MOLYBDENUM															
NATURAL GAS															
NICKEL															
NITROGEN, ELEMENTAL															
NITROGEN, FIXED															
OIL SHALE															
OXYGEN															
PEAT															
PERLITE															
PETROLEUM															
PHOSPHATES															
PLATINUM GROUP PLATINUM, PALLADIUM, OSMIUM, RHODIUM, RUTHENIUM, IRIIDIUM															
POTASH															
PUMICE & VOLCANIC CINDER															
QUARTZ CRYSTALS (LASCA for synthetic)															
RADIUM															
RARE EARTHS															
RHENIUM (byproduct of Copper-Molybdenum Ore)															
RUBIDIUM (byproduct of Lithium & Cesium)															
SALT															
SAND & GRAVEL															
SCANDIUM (byproduct of Uranium & Phosphate)															
SELENIUM (byproduct of Copper)															
SILICON (METAL & FERROSILICON)															
SILVER															
SLAG - IRON & STEEL															
SODIUM CARBONATE & SULFATE															
STANNOLITE (byproduct of Titanium minerals)															
STONE															
STRONTIUM															
SULFUR															
TALC															
TANTALUM															
TELLURIUM (byproduct of Copper)															
THALLIUM (byproduct of Zinc)															
THORIUM															
TIN															
TITANIUM (incl. ILMENITE & RUTILE)															
TUNGSTEN															
URANIUM															
VANADIUM															
VERMICULITE															
WOLLASTONITE															
YTIUM (byproduct of Rare Earths)															
ZEOLITES															
ZINC															
ZIRCONIUM (incl. ZIRCON)															

a World resource inadequacy, next 4 decades  
 b US high-grade resource inadequacy, next 4 decades  
 c US low-grade resource inadequacy, next 4 decades  
 d US reserve inadequacy, next 4 decades  
 e US productive capacity deficiency, now  
 f US foreign exchange drain, now  
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 h Mineral industry health and safety problems, now  
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 j Inadequate energy use, now  
 k Inadequate recycling, now  
 l Significant environmental impacts - air, now  
 m Significant environmental impacts - water, now  
 n Significant environmental impacts - land, now  
 o Load on US transportation system, now

## FEDERAL VERSUS PRIVATE RESPONSIBILITY FOR RESEARCH

Senator STEVENS. What do we have to do to make the country aware of the fact that we are coming into a mineral crisis similar to the oil shortage, if not worse?

Dr. FALKIE. Of course, the term "crisis" may be a little strong, but we may face problems because we are increasingly dependent on certain minerals from overseas, and this can impact on the economy, and it can create some political situations that are disadvantageous to us.

We are having problems with the public lands and I think that is extremely important. We need to encourage further development that the 1970 Mining and Mineral Policy Act calls for.

Senator STEVENS. Where is the dividing line between the private and Federal responsibility in these areas of research development and conservation? Where do you draw the line?

Dr. FALKIE. Where I draw the line—I think we have a definite role to play in doing conceptual and laboratory research, and in carrying whatever processes or mining techniques are developed into the demonstration stage. At that point the Government stops. Some of our research is oriented toward such things as standards development for health and safety. But basically I think we go to the demonstration stage with most of our research and development, and then it is up to the private sector to take over and use it, and to actually develop and extract the minerals.

I do not feel that the Government should be involved in mining or exploration on a large scale or processing of minerals.

Senator STEVENS. How about cost-sharing in the research program?

Dr. FALKIE. Yes, very much. And the alumina project is an example of this. I feel that doing this not only gets them interested, but it parlays the government's money and makes a more effective use of the government's dollar and we are also encouraging that in our mining research program. We have several cost-sharing type programs going on in the mining research program right now.

Senator STEVENS. Could you give us a breakdown of your figures for 1975 and estimated for 1976 and 1977 as to how much private enterprise has shared in the cost of your research program?

Dr. FALKIE. We will do that on the cost-shared, and I want to emphasize that there is an additional cost being carried by the private sector that is hard to pin down on our cooperative-type agreements, but we will provide that information for the record.

[The information follows:]

## INDUSTRY COST-SHARING FOR BUREAU PROJECTS

[In millions of dollars]

Fiscal year	Government share	Contractor share	Total value
1975 actual .....	\$12.3	\$11.8	\$24.1
1976 estimate .....	20.0	20.0	40.0
1977 projection .....	17.0	17.0	34.0

These data represent actual and projected amounts of the Government and contractor share of cost-sharing research contracts by the Bureau of Mines. The concept of cost-sharing in the research programs of the Bureau involves many more types of cooperative activity which cannot be precisely measured. For example, the Bureau

is currently participating in 104 cooperative agreements with industry. Such agreements involve a wide variety of mutual contributions by the Bureau and industry including personnel, equipment, access to industry facilities, and services for instance.

Similar industry contributions are regularly made to contractors who are doing work for the Bureau. About 100 other cooperative agreements are currently in existence with States to achieve the same general purpose—enlisting the capabilities of others in helping to achieve Bureau objectives.

No report of industry cost-sharing with work of the Bureau would be complete without noting the significant amounts of resources committed by industry to the voluntary provision of mailed data on the results of its current operations. Bureau personnel also regularly meet with personnel on several levels in companies of the minerals industry to keep up-to-date in their fields.

#### OBLIGATION OF FUNDS

Senator STEVENS. You had an \$8 million unobligated balance at the end of the last fiscal year, and you are estimating no unobligated balance at the end of this year.

Do you really think you will obligate all your funds by September?

Dr. FALKIE. We have programed all of our unobligated funds. We have a project on oil shale where we are having a little difficulty getting a permit to drill a hole, so we had to delay that, and we immediately obligated that money after the end of the fiscal year.

The budget came late. I feel that there will probably be some technical reasons why there may be a small amount of unobligated money by the end of the year, but it is programed and we are proceeding on schedule with the obligation part of it.

#### COAL MINE HEALTH AND SAFETY RESEARCH

Senator STEVENS. Your coal mine health and safety request is \$29.4 million, the same as the current year. We thought that program was expanding rapidly. Is that the case, and if so, how can you justify reduced programs in research?

Dr. FALKIE. It is not reduced except in terms of the inflation factor. The limit that is authorized by the 1969 Coal Mine Health and Safety Act is \$30 million, and we are almost at that limit.

I want to point out that much of the work that we are doing in the so-called advancing mining technology program, or the program that deals with productivity and production, has a health and safety bent. You cannot design more productive mining systems without getting deeply into the health and safety part of the design of that system.

#### BUREAU OF MINES AND MESA RELATIONSHIPS

Senator STEVENS. What is the breakdown in the responsibility of your Bureau and MESA? Can you assure us that there is no duplication of work by these two organizations as far as the areas of both coal and noncoal health and safety research?

Dr. FALKIE. I can assure you that we have been working on fairly elaborate, more formal procedures for working with MESA on planning the research. I can assure you that we have always had a cooperation between these two agencies in doing the research, and I could give several examples where MESA has in effect gone out of its way to help us with special projects that required their close attention.

I can assure you that the research and development program on the health and safety end will be done in close collaboration with MESA. We expect, and we have this past year, at MESA's request, played a bigger role in helping to provide some scientific input to standards development. I suspect that will continue.

We have worked out, through a working agreement, some mechanisms for prioritizing the research. I feel that the whole system within Interior is going along at a much more acceptable pace now than what it might have, at least in Washington, in the past.

#### OIL SHALE MINING RESEARCH

Senator STEVENS. What about the oil shale activity? It is the same program level for last year. We thought there was great potential in the oil shale area.

Why isn't that work being accelerated in view of our national needs?

Dr. FALKIE. When ERDA was formed last year, Senator, the work dealing with retorting of oil shale, the chemical work that was done at the Bureau of Mines, Laramie, Wyo., Research Center, was transferred over to ERDA with Laramie.

We are involved in the mining research and in the waste disposal research parts of the program. We are doing baseline studies, we are getting ready to drill a shaft for characterizing the very deep oil shales below the Mahogany zone and are beginning to think about how that can be mined in the future.

We are working on nahcolite and dawsonite from deep shales. We are working on how to store the oil shale waste, both from mining and retorting in an engineering sort of way.

Again, the overall budget for what we are trying to do now is adequate on the mining end. We do know that the ERDA retorting part has increased and we also know the overall economic situation with regard to oil shale. Basically some people have slowed down their interest, at least some of the commercial organizations have slowed down their interest in oil shale.

#### MINERAL APPRAISAL OF ALASKA LANDS

Senator STEVENS. Last year we added \$300,000 to take care of the investigations related to mineral appraisal work and the Department's proposed withdrawal of 83 million acres in Alaska. Is there any money at all in this budget to continue that work?

Dr. FALKIE. No, there is no money in this budget. In the budget is included the work that we will continue, that we have been doing for the past several years with the Geological Survey on wilderness areas, which was mandated by the Congress when the wilderness program was started several years ago. But the Alaska D-2 land work is not in the budget.

Senator STEVENS. How much did you accomplish with the \$300,000 allocated to the Alaska investigation last year?

Dr. FALKIE. I think we accomplished quite a bit.

Senator STEVENS. Of those 83 million acres in the proposal, how many did you cover?

Dr. FALKIE. We are currently working on 19 million, but that includes the work of this year. We are working and have worked in

the Brooks Range area. As far as what we physically accomplished, we found some very highly mineralized areas, as you may know, including one very promising lead-zinc-barite deposit in the Brooks Range area. I do not have the exact number on the total acres completed, Senator, but I would be happy to supply that for the record.

[The information follows:]

We completed 15 out of 19.2 million acres last field season.

#### BUDGET REQUEST FOR ALASKA LAND STUDIES

Senator STEVENS. Did you ask to continue the program this year?

Dr. FALKIE. This was not in the request that went to OMB, but what we have—

Senator STEVENS. That is not what I asked you. Did your Bureau ask to continue it this year?

Dr. FALKIE. Senator, we feel very strongly about the fact that mineral surveys need to be done on all of the lands being proposed for withdrawal in Alaska and in the lower States. We feel that our program is not going at a fast enough pace to allow us to complete the work that the Congress has mandated.

Senator STEVENS. I sat down there where you are several years for the Interior Department, and I remember being asked the questions. I will ask it again once more, and if you do not answer it, we will recess the hearing until you get approval to answer it.

Did you ask for money to continue the surveys in Alaska this year?

Dr. FALKIE. Yes; in the early stages of the budget process we did.

Senator STEVENS. How much do you need to keep on schedule to meet the deadline?

Dr. FALKIE. I think we are talking in terms of \$500,000.

#### TIMETABLE FOR ALASKA LAND STUDIES

Senator STEVENS. We have a deadline. Congress has to act by December 17, 1978, on withdrawing 83 million acres. My information is that probably 70 percent of the acreage has great mineral potential. If I understand you right, you have done 19 million acres to date, or you will have by the end of this fiscal year. Is that right?

Dr. FALKIE. Yes; I will check that number.

Senator STEVENS. So we have about a year to complete 60 million acres. Can I assume that for \$500,000 you can do surveys on a sizable amount of land? How much do you think you could cover with \$500,000?

Dr. FALKIE. We could not cover the 60 million acres, Senator, that is for sure. It would require more money and more manpower than we have available to get the kind of acreage you are talking about.

Senator STEVENS. My problem is that I have to figure out whether we have to try to work out a delay in that timetable. One of the things I think most people agree on, whether they agree with the withdrawals or whether they disagree with the withdrawals, is that these lands should be inventoried. We ought to know what we are doing.

Can you give me any kind of timetable? For the record would you provide a budget estimate of what it would cost to survey the balance of those lands adequately so that you could face the committees of Congress and tell them to the best of your judgment what the potential is for the mineral value of the lands?

Dr. FALKIE. I will supply that for the record; yes, Senator.

[The information follows:]

## Mineral Evaluations of Public Lands

Our program of mineral evaluation of public lands has the following components:

1. Wilderness studies
2. d(2) studies
3. Wild and scenic rivers studies
4. Damsite-reservoir studies
5. Indian land studies

To-date, the wilderness studies are the only portion of this program that has been funded by requested appropriations. The d(2) studies and the Wild and Scenic River studies have been funded by add-on appropriations. The damsite and Indian land studies have been funded under interagency agreements.

The Bureau's portion of the joint RM-GS wilderness mineral potential studies consists of:

- o Courthouse mining claim searches to document past exploration and mining activities.
- o Documentation of past production from public and company records.
- o Fieldwork to locate, sample, and map mining claims and workings.
- o Analysis of samples and determination of possible extensions of mineralized structures by geophysical techniques.
- o Collection and evaluation of assay and metallurgical data on past and ongoing exploration by private industry.
- o Engineering sampling on potential ore occurrences shown by GS geochemical sampling.
- o Minability and metallurgical studies where significant resources are known to be present.
- o Evaluation of the mineral reserves and paramarginal resources of the area based on the compilation and interpretation of results of the above studies.

Depending on the size, complexity, and accessibility of an area, the cost of this type of study ranges between \$1.25--\$4 per acre. In some cases a study area may span several counties and a search of all county records is necessary to determine all the sites of past exploration activity. In general, the smaller the area the higher the cost. In some areas very little past activity has occurred, while in other 1,000's of claims must be located and investigated. The areas are traversed on foot, by pack trains and base camps, and helicopters. Helicopters cost several hundred dollars per day for a few hours of useful work, and work in Alaska has been done partially from the Geological Survey's ship, the Don Q. Miller, whose support costs approximate \$3,000 per day, not including the cost of helicopters to ferry personnel into the study area.

These studies provide site-specific evaluations concerning reserves and grade and allow us, in conjunction with the GS, to do a reasonably accurate job, short of drilling, to evaluate the mineral potential of an area in light of our present knowledge of mineral deposits and economics.

Our current investigation of the New River Gorge Wild and Scenic River area in West Virginia represents a more detailed version of a wilderness-type mineral study. We know that valuable coking coal exists in this area and in order to determine the tonnage, quality, and problems associated with deep mining, we will conduct a drilling program.

In contrast, our current evaluations of d(2) lands are not primarily site-specific. In these studies we are using data available from the literature and EM and consultants' files combined with a minimum of field sampling. Emphasis is given to delineating mineral belts or trends, so that while we may not be able to pinpoint individual potential exploration targets and tonnages we will be able to predict the probability of specific commodities within specific areas.

In the damsite-reservoir studies, we make mineral evaluations of proposed water development projects of the Corps of Engineers and Bureau of Reclamation. We have completed over 500 of these studies and are presently conducting a drilling program for the Corps at a site having considerable lignite reserves in Texas.

By the end of FY 76, we will have completed literature search and summaries on 38 Indian Reservations and detailed field studies will be underway on two reservations.



## Budget Options for Wilderness and d(2) Studies

Attached are three Bureau of Mines tentative budgets and timetables for mineral studies of lands proposed for withdrawal from location and leasing. The first attachment (A) deals solely with d(2) lands in Alaska and assumes the Congressional deadline for decisions on these lands will not be postponed beyond the December 1978 date. The second attachment (B) describes an expanded rate of study for wilderness lands to allow the completion of the currently identified 39 million acres of wilderness and wilderness candidate areas by 1983. Since wilderness and d(2) lands are currently identified as separate programs, the figures in attachments A and B are additive if we are to meet all deadlines. Hence, a budget of \$7.1 million and an additional 52 people would be needed to perform timely wilderness and d(2) studies under this proposal.

Attachment C is a tentative budget for both the wilderness and d(2) programs which will yield timely mineral information if the Congressional deadlines for both the wilderness and d(2) lands are extended beyond the currently legislated dates (1983 and 1978). This budget requests \$4.3 million and 34 positions.

We are continuing to evaluate these programs with a view toward the possible development of other options.

## ATTACHMENT A

## Bureau of Mines Expanded d(2) Program

	Contract data gathering	Additional personnel	EM site evaluations for GS AMRAP	Completion rate (million of acres)
FY 75	\$ 300,000			19
FY 76	300,000			10
FY 77	1,200,000	+8	\$ 400,000	35
FY 78	1,200,000		400,000	30
FY 79			400,000	reevaluation
FY 80			400,000	"
FY 81			400,000	"
FY 82			400,000	"
FY 83			400,000	"

This type of program involving \$1.6 million and 8 people in FY 77 and FY 78 would allow us to compile readily available mineral data on all d(2) areas, and to be able to contribute engineering site-specific evaluations to the Geological Survey's AMRAP studies. In general this type of information would allow us to more accurately define mineralized belts and predict the probability of specific commodity occurrences within given mineralized trends. However, part of this information would not be available until December 1978. The problems of gearing up this fast for such a short-lived program could have far reaching consequences for long-term Bureau goals. Some of these problems could be eliminated by a continuing but reduced program beyond FY 78 in which recurring evaluations with additional smaller scale sampling would better define our knowledge of the mineral potential involved. This could be done with a continuing appropriation of \$400,000 per year for a minimum of 5 years through FY 83.

## ATTACHMENT B

## Bureau of Mines Expanded Wilderness Program

<u>Budget</u>		<u>Completion Rate</u>
FY 76	\$2,333,000	1.5 million acres per year
FY 77	2,366,000	1.5 million acres per year
Expanded Program Budget    Additional Personnel		
FY 77	5,500,000	+44      3.0 million acres per year

The proposed budget request for the wilderness mineral studies for FY 77 is \$2.36 million. This budget will allow the Bureau to complete mineral studies on approximately 1.5 million acres of wilderness and wilderness candidate acres. To date, 16 million acres of the currently identified 39-million-acre total have been studied. A completion rate of approximately 3.0 million acres per year is necessary to complete the initial survey of the total acreage by the 1983 Congressional deadline. In order to achieve this completion rate the Bureau would have to request a total annual wilderness budget of \$5.5 million with an additional 44 permanent employees. If the additional employees are not provided, the Bureau will not be in a position to use these funds for the purpose appropriated. This request of \$5.5 million is slightly in excess of doubling our current request while our completion rate would be exactly doubled.

## ATTACHMENT C

## Bureau of Mines Wilderness and d(2) Programs for Extended Congressional Deadlines

Currently Requested Budget

	<u>Wilderness</u>	<u>Additional personnel</u>	<u>d(2)</u>	<u>Additional personnel</u>	<u>Completion Rate</u>	
					<u>wilderness</u>	<u>d(2)</u>
FY 75	\$ 1,300,000		\$300,000			19
FY 76	2,333,000		300,000		1.5	10
FY 77	2,366,000					
<u>Tentative budget</u>						
FY 77	3,500,000	+26	800,000	+8	2.3	14
FY 78	"	"	"		2.3	14
FY 79	"	"	"		2.3	14
FY 80	"	"	"		2.3	12
FY 81	3,500,000				2.3	

If the Congressional deadlines for wilderness and d(2) lands are extended beyond 1983 and 1978, the tentative budget for mineral studies of these lands by the Bureau of Mines would total \$4.3 million per year and require an additional 34 positions. This budget would allow mineral studies of wilderness lands to be completed at a rate of 2.3 million acres per year and d(2) lands to be completed at a rate of about 14 million acres per year.

## INABILITY TO MEET WITHDRAWAL DEADLINE

Dr. FALKIE. The fact of the matter is that when you add the Alaska lands to the wilderness lands in the lower States, we are not going to get the job done when Congress needs it to be done. And I do not think we need to play around in evading that question. We are just not going to be able to get that job done with the resources that are available to us.

Senator STEVENS. I understand you are under some horrendous timetables that I do not agree with, and I do not think most members of the committee agree with. In the long run I think we have to face up to the problem of which areas we need more time in order to assess their potentials.

Is it possible that we could categorize those lands as to the ones that have the most intense mineral potential? And in your response to the prior question give us an estimate of the moneys necessary for the investigation of those areas.

Dr. FALKIE. Yes; I do not have that information broken down the way you want it; I do not have it with me. But we obviously know, basically, the order that we would prefer to do it in and what it would take and how long.

Senator STEVENS. I am going to ask the staff to review a pertinent article, and we will include it in the record by reference. I am sure you are familiar with that article, "Is Our Account Overdrawn?"

Dr. FALKIE. Yes; I am familiar with it, Senator.

[COMMITTEE NOTE: The article, "Is Our Account Overdrawn?", published in the "Mining Congress Journal", was adopted by reference for the hearing record and is available in the Committee's files.]

## GLACIER BAY NATIONAL MONUMENT ADDITION

Senator STEVENS. I only wish that there was some way we could convince people that even if we utilized all the mineral potential that we could utilize, we still would be dealing with only about 1 percent of the total area of Alaska. It is a problem of pinpointing the area of interest.

Your people did a magnificent job, I think, on the south slope of the Brooks Range, and I am hopeful Congress will listen to us in that regard. They did not listen to us the other day in regard to the west coast addition to the Glacier Bay National Monument, and that is an unfortunate development.

It shows us, though, that we are going to have to exclude these areas from withdrawal if they have any mining potential. The addition of that west coast area to the Glacier Bay National Monument was a sheer mistake and was done, as far as I can determine, for administrative purposes. Now the nickel potential and copper potential there appears to be in deep trouble as far as utilization is concerned. I would hope you could give us some information so that we can try to continue this program and try to do the same thing with regard to the wilderness activity.

## WILDERNESS MINERAL STUDIES

Would you tell us something about the wilderness activity in what we call the south 48? What is your timetable there?

Dr. FALKIE. Senator, on the wilderness we are working at the rate of about a million and a half acres per year. The program includes 39 million acres to be studied, and through fiscal year 1975 we have studied about 16 million acres.

The due date on that is 1983. In the fiscal year 1977 budget, including wilderness and the mine map repository and river basin studies is \$5 million for this activity.

Senator STEVENS. How much land can you cover with \$5 million in the wilderness area?

Dr. FALKIE. About a million and a half acres in the wilderness we expect to cover this year.

Senator STEVENS. My Alaska computer wonders how you can get 19 million acres surveyed in Alaska for \$500,000 and only do 1½ million for \$5 million. Can you explain that to me?

Dr. FALKIE. It is a matter of the extent to which the area is mineralized, the complexity of the geology, the extent of having previous claim data available. It is a technical and logistics matter.

#### MINERAL EVALUATION OF LAND WITHDRAWALS

Senator STEVENS. I think somebody down there is dragging their feet. If that total department were oriented toward the needs of the country, we would be doing something about telling people that even if we excluded all the mineralized areas, we would be dealing with something around a million acres if you had the proper information. They could take the 82 million acres and never have any impact. The problem is to try to isolate those areas and identify them so that Congress and the other groups in the country will listen to us.

I think most of the environmental groups are now getting some balance in terms of the knowledge of the minerals crisis. But how can we exclude the areas unless they are defined? I really think that the problem is to get some leadership in terms of the minerals crisis. You seem to have some reservations about the minerals crisis. My mining association tells me that is what we ought to call it. Do you disagree?

Dr. FALKIE. I may disagree with the term, but I agree 100 percent with your philosophy, and I think you know that the record shows that I do.

But I want to make one point about these withdrawal studies. I agree that if we could at least do the surveys we could determine the areas of highest mineralization and so-called highest mineral potential, and hopefully then the withdrawal areas would be adjusted to take that into consideration.

But I think there needs to be one other thing said, and that is that by no means are we claiming—I think I can even speak on behalf of the Geological Survey on this—by no means are we claiming to have done an elaborate minerals study on this. In fact, the only way we are really going to know what is down there is to go down there and find out, to drill, which I do not propose that the Federal Government do.

The point is, we can make some adjustments, even based on what we have found now. And we feel that that ought to be taken into consideration by the Congress when the areas are officially withdrawn.

## LAND WITHDRAWAL POLICY

Senator STEVENS. I understand that, and I hope we can get something straightened on that proposition. It is going to be a problem for future generations to unlock those doors if we lock them.

I take the position, and I think Alaskans take the position, that the decision ought to be made by the generation that has the need. There is no economic need for some of those metals and minerals right now. Economics of development and transportation is such that we would probably come on the market last, but to put it in permanent withdrawal—well, we learned the other day at Glacier Bay National Monument what happens when someone makes a decision to lock up 500,000 acres without knowing what is in it. That was done in 1939, and it has nothing at all to do with Glacier Bay National Monument. It is on the west side of the Fair Weather Range. You have to back pack over a 12,000-foot range to be involved in that Glacier Bay National Monument experience.

Dr. FALKIE. We think the Glacier Bay nickel deposit may be even larger than what we know about now.

Senator STEVENS. If that bill passes the House, we will never know, and that is the great problem. I do not think we should be placed in that position with regard to this vast area—one-quarter of the State of Alaska is involved in that withdrawal proposal.

If there is any one thing that bothers me, it is not the withdrawal, but the lack of knowledge of the lands involved in that withdrawal.

I appreciate your courtesy—I want you to know that I am not happy at all, and I do not think the chairman is, with the budget emphasis in the Bureau and in the USGS. If we have any opportunity to add funds at all here by virtue of reductions made in other activities, I am hopeful that we can get a few more dollars to add in this area consistent with the overall objective we have of keeping the budget down. There are some areas of the budget that will be reduced, and we hope to add some of that reduction to the mineral evaluation needs of the Nation.

Last year we did not succeed too well, but we hope to do it. I think we need your guidance to make sure that we do not give you the money in the wrong place.

## HISTORY OF BUDGET REQUEST

So in closing, although it is a bad thing perhaps in terms of administrative procedure, I would like to see if you would, as you prepare that response that I have asked for, if you would indicate which accounts are one-year money, what can you accomplish in one year, and what would have future budgetary impact. It does not do us any good to start something by adding \$500,000 if next year we need \$2.5 million to keep up the same activity and we will not get it.

I would like to make this into an annual program. If we could add on funds that could be used efficiently in one year and have some significant accomplishment, perhaps people can see what you are doing.

## METALLURGY RESEARCH ACCOMPLISHMENTS

Incidentally, I do not think you are crowing loud enough about the taconite thing, and I think you ought to expand that a little bit more for the record. We ought to have some more knowledge nationwide on that because it is a great breakthrough.

I remember when I was down in the Department, people were dreaming about that then. And now it has come through.

I think you ought to get more credit for the accomplishments that the Bureau has achieved for the country in terms of some of those research programs.

Dr. FALKIE. We appreciate that, Senator. We have been crowing, but some people have not been listening.

Senator STEVENS. I heard that last night, some people are not listening. Maybe one of these days they will hear us. Please supply a summary of your taconite work.

[The information follows:]

## ACCOMPLISHMENTS IN TACONITE PROGRAM

The United States in the past was fortunate in having a large supply of high-grade, direct shipping iron ore in the Lake Superior District deposits, historically the major sources of iron ore for the United States steel industry. These high-grade iron ore deposits containing about 55 percent iron, eventually gave out and it became necessary to turn to the taconite ores which contain only about 35 percent iron. Magnetic taconites became the major domestic source of iron but were limited in extent and imposed limitations on expansion of production. To assure adequate supplies of iron ore to meet expanding needs in the years ahead, research was conducted by the Bureau of Mines to develop the technology for concentrating the much larger domestic resource of nonmagnetic taconite ores. This research yielded an improved process for treatment for these nonmagnetic taconites; the process embodied fine grinding, chemical dispersion, selective flocculation of iron oxides, desliming to reject fine silica with minimum iron losses, and finally, flotation of the flocculated fraction to yield high grade concentrates. A United States patent embracing the major elements of the process was granted to the principal Bureau researchers.

A cooperative research program related to the selective flocculation as applied to the low-grade nonmagnetic taconite iron ores was initiated during 1962 between the Bureau of Mines and Cleveland Cliffs Iron Company. The program was conducted at the Bureau's Twin Cities Metallurgy Research Center in Minnesota and it has continued on an intermittent basis to the present time.

In 1972, after years of cooperative effort, the Cleveland Cliffs Iron Company announced plans to allocate about \$200 million for its Tilden Project, which would have an initial annual output of 4 million tons of pellets, and licensed the Bureau developed selective flocculation process for use on the Marquette Range, Michigan nonmagnetic taconites. A plant based on this process was dedicated at the Tilden Mines of the Cleveland Cliffs Iron Company in August 1975. This plant is capable of producing about 4 million tons high-grade iron oxide pellets per year or 5 percent of the Nation's domestic supply, and has provided nearly 600 new jobs in Michigan's economically depressed Upper Peninsula.

Cleveland Cliffs currently is considering expansion of the Tilden Mine that will more than double the present production. Reserves of Tilden and similar material on the Marquette range are sufficient to support an annual output of 24 million tons of pellets.

Bureau research is continuing to extend the concentration process to some 10 billion tons of nonmagnetic taconite type material of the Mesabi Range in Minnesota.

## OIL SHALE MINING ECONOMICS

Senator STEVENS. I appreciate your courtesy.

Do you have anything to add, Senator Young?

Senator YOUNG. Yes; just a question or two.

When I came here more than 30 years ago, the two Senators from Colorado, Senators Milliken and Johnson, were getting research funds to find an economic means of extracting oil from the vast reserves of oil shale in Colorado. At one time they even had a laboratory up there for that purpose.

Have we found an economic means of extracting oil from oil shale yet?

Dr. FALKIE. Senator, the Bureau of Mines has been in oil shale research since the 1920's, and we had a research center at Rifle, Colo., which we subsequently leased out to private industry, that included a mine and retorting area. This was turned over to ERDA which is doing the work on oil shale retorting.

To answer your question, no. It is not apparently economic to mine and process oil shale today. If it were, people would be advancing plans for their development faster. Instead, from most of the newspapers, and from our own information, many of the companies are in fact—I will not use the word retrenching—but are plateauing some of their work towards developing the oil shale industry.

I do not know what it costs today to process oil shale, but the cost obviously is somewhat higher than what it costs for oil from foreign or domestic sources. Until those costs come into line, the oil shale industry will not develop the way we want it to develop.

There are people who feel that the Government needs to play some kind of role in providing some kind of incentive for developing that oil shale industry.

#### OIL SHALE DEPLETION ALLOWANCE

Senator STEVENS. It might interest you, Senator, that back in those great days of the Eisenhower administration—as far as I am concerned they were great days—the President sent up to Congress a bill that changed the oil shale so that it had the same depletion allowance as oil. It was not treated as coal, it was treated as oil.

Have you explored that at all? That bill was not passed by the Congress then. I am not sure but it might be passed now if someone would present it.

Dr. FALKIE. That is an interesting point. I have not personally explored that.

Senator STEVENS. They do not get the same incentive taxwise, do they? I do not know why they should not get at least the incentives we give to small oil fields today. The barrels developed through the oil shale are so small compared to Prudhoe Bay.

Dr. FALKIE. I do not recall the exact percent depletion rate on oil shale at this moment, Senator.

#### ENVIRONMENTAL IMPACT OF OIL SHALE MINING

Senator YOUNG. Just one more question. Is there any possible way that you can economically extract oil from oil shale under present environmental requirements? That has certainly added to the problem.

Dr. FALKIE. I think the answer is yes as far as the environmental end of it is concerned. I think that with the money that the Federal Government is putting into oil shale research in ERDA, and to a certain extent by us, whatever environmental questions there are will be answered during the process of research and development.

Three approaches are being taken—actually four, if you will. One is to surface mine it; two is to underground mine it, bring it to the surface and retort it; three is to use an in situ process which is burning and retorting it underground; and four is to use a modified in situ process which means undermining it and retorting it.

All of the work being done has a very heavy environmental bent. Even our own work on waste disposal is environmentally oriented.

So I think that from a technical standpoint, the environmental problems will be overcome by the time the economics are ready to mine oil shale.

Senator YOUNG. Can you overcome the opposition from the environmentalists—

Dr. FALKIE. The opposition by people who do not believe it can be done I am sure will continue to a certain extent.

Incidentally, it is a 15-percent depletion for oil shale at the present time.

Senator STEVENS. Fifteen on oil shale?

Dr. FALKIE. Yes.

Senator STEVENS. I should think the climate is better now for oil shale than it was back in the Eisenhower days, and tax depletion ought to be considered, to be increased to the amount that we pay to oil producers from small wells.

Dr. FALKIE. I will convey your idea to the Treasury Department, Senator.

Senator STEVENS. That will not do any good.

#### OIL SHALE JURISDICTION

In oil shale, where does your responsibility end and ERDA's begin? I note ERDA has a budget increase for oil shale.

Dr. FALKIE. There is a tacit understanding at the working level that the Bureau of Mines is responsible for the mining and waste disposal aspects of oil shale R. & D. and that ERDA is responsible for research on the retorting and utilization of shale oil. This is essentially the relationship that prevailed when the ERDA people were still in the Bureau of Mines but it has not been formalized in any respect.

Senator STEVENS. What safeguards have been established to avoid duplication?

Dr. FALKIE. Dr. Gouse, Assistant Deputy Administrator for Fossil Energy, and I have been designated as contact points where such matters can be brought for resolution if they become severe problems. As a practical matter, we have had good interaction at the working level in both the field and Washington office, due at least in part to the personal associations these people have had in the past. However, a comprehensive formal agreement has not been signed.

#### OIL SHALE INCENTIVES

Senator STEVENS. It has been stated that Government involvement is required in oil shale mining because industry doesn't have the capital and the risk is high. What needs to be achieved so that industry can move forward in this area without Government subsidy?

Dr. FALKIE. The economics of oil shale mining and processing are obviously not acceptable under present market conditions. One way in which the economic picture could be brightened would be to develop low cost large scale mining and processing methods that would have minimum impact on the environment. This is a large order but is within the range of technology. Oil shale can make a significant contribution to the Nation's energy position and its use is inevitable. It makes sense to me to develop and demonstrate the technology now while we can do so in a deliberate cost-effective manner rather than wait until the next crisis.

Senator STEVENS. What kind of incentives are required at this time, in your opinion?

Dr. FALKIE. In my opinion, the single most critical road block to oil shale development is the uncertainty associated with the price of oil. In addition, the uncertainties associated with environmental controls and land reclamation, water resources availability, capital investment costs, and other legal and economic constraints are also influencing oil shale development.

#### METAL AND NONMETAL MINING TECHNOLOGY

Senator STEVENS. There is no increase requested in the \$6 million program level for nonfuel mining technology. What are the major needs in this research area?

Dr. FALKIE. The major needs are for mining systems that will allow lower grade ores to be mined profitably and that will increase the percentage of an orebody that can be recovered. Too much of our mineral wealth is left in the ground with our existing mining methods. Sometimes up to 50 percent of mineable grade ore is not mined at all. Nonfuel mining covers such a broad spectrum of commodities, geologic situations and mining methods that no one system will be applicable to nonfuel extraction. We need new systems for mining flat-lying bedded deposits and these will be different from the systems needed for massive deposits, deep narrow vein deposits or near-surface deposits. The key is increased mechanization, automation and more continuous mining systems.

Senator STEVENS. Your own justification states that no major breakthroughs in nonfuel mining technology can be expected at the present level of funding. Just what can we expect?

Dr. FALKIE. What we can expect is incremental improvements to existing mining methods; better tools and techniques as described in our own budget justification. We do not have the resources to develop the kind of equipment that would be needed to revolutionize the mining of nonfuel minerals. It is in that sense that we use the major breakthrough terminology.

#### ADDITIONAL FUNDING NEEDS

Senator STEVENS. What kind of funding would be needed in the Bureau to achieve a major breakthrough?

Dr. FALKIE. We feel the key to major advances in nonfuel mining technology lies in the development of new large-scale machinery. Projects of this type require high levels of funding over a number of years. The \$2 million increase we originally requested for fiscal year

1977 would allow us to begin the kind of development projects that could lead to major advances in mining technology. The increased funding would have to be sustained, however, for 4 to 5 years.

Senator STEVENS. Why shouldn't private industry take the lead in developing its own technology in the nonfuel mining area?

Dr. FALKIE. Ideally they should, but as a practical matter, the industry simply does not have the resources or manpower to devote to the high risk, large-scale type of research effort that is needed.

Senator STEVENS. Are any funds being requested in the nonfuel mining technology activity for strip mining reclamation?

Dr. FALKIE. No; current Bureau activities relating to mined lands demonstration work in repairing problems from past mining and research and development to integrate reclamation into the mining sequence will provide technology that is transferable to appropriate nonfuel mining activities.

#### CITRATE PROCESS FOR SULFUR REMOVAL

Senator STEVENS. The request for metallurgy research is \$21.5 million, and that is down about \$5.4 million from the 1976 program level. The biggest reduction is \$4.1 million in the stack gas sulfur removal project, for which you have designed a process development unit. Your justification states "reduced funding needs." Could you explain that?

Dr. FALKIE. Yes; in fiscal year 1976 funds amounting to \$5,015,000 were appropriated to cover the Bureau's share of major construction costs in the stack gas sulfur removal project. The reduction of \$4.1 million appears in our request because these construction costs will only occur once.

Senator STEVENS. Isn't construction the next step? When will you ask for construction funding?

Dr. FALKIE. Right now we are in the process of negotiating a contract for this project. After the final detailed design is completed and approved, construction of the process development unit will be started. Funds appropriated in fiscal year 1976 will cover most of the Bureau's share of the construction costs.

Senator STEVENS. The stack gas sulfur removal PDU is scheduled for completion in 1979, according to your justification. Can you keep that time-table with this budget request?

Dr. FALKIE. We think it is possible to stay pretty close to a time schedule calling for completion in the latter part of 1979. Responses to our request for proposals on this project have indicated that a longer time schedule, particularly for the operation phase, may be desirable. We are negotiating this point. An additional 6 to 9 months is what we are talking about.

Senator STEVENS. What will you do with the \$900,000 remaining in the program?

Dr. FALKIE. The \$900,000 we requested for fiscal year 1977 will provide the funds for finishing the construction, shakedown operations, acceptance testing, and the initial demonstration runs.

Senator STEVENS. How much does the Environmental Protection Agency contribute to the sulfur removal project? How much does industry contribute?

Dr. FALKIE. The Environmental Protection Agency has thus far contributed \$1.9 million to the project. This is also a cost-sharing project with industry. The Government's share will be 50 percent or less depending on the final negotiations and who gets the contract.

#### ALUMINA PILOT PLANT

Senator STEVENS. You have a \$1.5 million reduction in the alumina pilot plant project. Is this a slowdown or merely a program phase?

Dr. FALKIE. It is merely a program phase. There was \$2 million in our fiscal year 1976 funds for alumina process feasibility studies and pilot plant design. This work will start in July and take about 2 years to complete. We have therefore asked for only \$0.5 million in fiscal year 1977 to make environmental impact and site selection studies for the proposed pilot plant.

Senator STEVENS. You have 10 private alumina firms cooperating in the alumina pilot plant project. To what extent are they financing this work?

Dr. FALKIE. Actually, Senator, the current cooperative agreements with the aluminum firms apply only to the alumina miniplant project. In fiscal year 1976 each cooperator is contributing \$50,000 per year or a total of \$500,000, and the Bureau of Mines is putting about \$800,000 into the Boulder City operation. Cost-sharing arrangements for the proposed 50-ton-a-day pilot plant have not yet been worked out.

Senator STEVENS. What is your schedule for completion and operation of the alumina plant?

Dr. FALKIE. The process feasibility studies and preliminary pilot plant design contract is expected to begin July 1, 1976, and run through May 31, 1978. Environmental impact and site selection studies for the pilot plant will run throughout fiscal year 1977. Negotiations with the aluminum companies for cost sharing on the pilot plant construction should be made in the last half of fiscal year 1977. Construction of the proposed pilot plant is expected to take about 2 years beginning October 1978. Operation of the pilot plant will take about 2 years beginning April 1980.

Senator STEVENS. Just how promising is the alumina project?

Dr. FALKIE. Perhaps the best measure of promise is the interest shown by the aluminum industry cooperators. We believe they were genuinely concerned by the sudden developments in 1973-74 which threatened their alumina sources. They see in the Bureau's program a way to insure that the expanded technological base needed to provide an alternative to foreign bauxite will be available if needed.

#### ENERGY USE PATTERNS IN METALLURGICAL PROCESSING

Senator STEVENS. Your justification states that a \$300,000 study on energy use patterns in minerals has been completed. What did that study produce in the way of definite energy savings?

Dr. FALKIE. We started a \$1 million program late in fiscal year 1974, before the formation of the Energy Research and Development Administration. For the initial \$700,000 we did a study entitled "Energy Use Patterns in Metallurgical and Nonmetallic Mineral Processing." This study covered the energy requirements for

processing some 80 commodities from ore to primary product. From the information obtained in this study, we are able to pinpoint operations where energy conservation steps can be implemented and to suggest operations where new, innovative technologies could yield lower energy consuming alternatives.

For the \$300,000 authorized in fiscal year 1976, we will determine the variations in the energy required to convert scrap to new products. The contract for this final work is being prepared.

We cannot pinpoint definite energy savings likely to result from this study yet, but industry recognizes this as a definitive effort, and the information obtained thus far is already being used. An example of the use of the results is the conference being conducted by Battelle Columbus Laboratories this month to discuss aspects of industrial energy utilization.

Senator STEVENS. There are no plans to continue this energy use study?

Dr. FALKIE. No, Senator, there are not. We will use the results of this definitive study in planning our future metallurgy research programs to develop more energy-efficient processes.

#### URBAN REFUSE PROCESSING TECHNOLOGY

Senator STEVENS. How much of your \$2.1 million secondary resource recovery program is being devoted to urban refuse processing?

Dr. FALKIE. We have allocated \$790,000 of the requested funds for research associated with urban refuse.

Senator STEVENS. Your justifications indicate that your urban waste recycling pilot plants will have produced a proven and economical technology. When and how will that technology be applied to city waste disposal programs?

Dr. FALKIE. Technology developed by the Bureau for processing and separating urban refuse into several useful fractions will not be in commercial application for a few years yet. We do know, however, that the Bureau's technique will be used at three new urban refuse recycling plants to be built in New York State and Maryland in late 1977 or early 1978. These recycling centers now in the design or early construction stage are to be located in Monroe County, N.Y., near Rochester; in nearby Montgomery County, Md.; and Baltimore County, Md. In addition the Tennessee Valley Authority and several municipalities have expressed interest in the Bureau's patented recycling process and its potential for treating wastes from different geographic regions.

#### SCRAP RECYCLING RESEARCH

Senator STEVENS. How far are you away from achieving something commercially feasible in automotive and industry scrap recycling?

Dr. FALKIE. Some of the results of our research efforts have already been accepted by the recycling industry. The Bureau of Mines designed, constructed, and in cooperation with industry tested in 1969, a smokeless incinerator for burning junk automobiles. At that time new air pollution regulations made it impossible for the scrap industry to burn auto hulks in the open, which it had done for years. Since

the initial research, we have been advised that approximately 30 operators located in 20 States plus 2 Canadian Provinces are using either a modified version or the Bureau's design of the automobile smokeless incinerator.

Significant amounts of valuable metals are now being commercially recovered from some industrial waste solutions derived from electroplating, etching, and pickling operations by use of the Bureau's waste-plus-waste process. This process consists of adding an acid waste to an alkaline waste in proportions that give optimum precipitation of metal compounds. One commercial plant is now in operation in Missouri, and we expect others will soon follow. The waste-plus-waste process can economically treat major types of acid and alkaline plating wastes containing cadmium, chromium, copper, nickel, and zinc.

In another situation, a firm in California is adapting a Bureau-developed process for recovering lead from scrap automobile batteries. The process is unique in that it eliminates virtually all of the air polluting sulfur dioxide emissions that normally are produced in conventional technology. The new technique provides for the addition of a chemical before melting the scrap to tie up sulfur compounds rather than allowing them to vaporize.

Current research projects of the Bureau of Mines that show promise of early acceptance and use by industry include: the processing of aluminum dross for the recovery of aluminum metal, aluminum oxide, and fluxing salts; and the recovery and separation of both plastics and nonferrous metals from shredded automobile scrap.

#### FUNDS FOR SECONDARY RESOURCE RECOVERY PROJECTS

Senator STEVENS. How much has been invested by the Bureau to date for its various secondary resource recovery projects, and what estimated funding is needed to bring them to fruition?

Dr. FALKIE. Since 1970 when the Resource Recovery Act was passed the Bureau of Mines has received for the years 1970 through 1976 approximately \$16 million for secondary resource recovery related projects. We have already discussed several of the secondary resource recovery projects and as you have noted they cover a wide scope, including junk automobiles, urban refuse, industrial waste materials, and metallurgical wastes. The need for this type of research and the particular problems to be solved become more evident as time passes. We have a 5-year plan which outlines a research program on secondary resource recovery related projects for fiscal year 1977 through fiscal year 1981, calling for a potential funding of \$21 million. We expect that many of our current projects will be completed during the next few years. Some of the projects may be advanced to pilot plant or process development unit testing before completion.

#### USE OF SULFUR AS PAVING MATERIAL

Senator STEVENS. For several years now the Bureau has been conducting research on the feasibility of using sulfur as a paving material. How far are you from achieving success in that work?

Dr. FALKIE. We have already achieved considerable success in using sulfur as a paving material since the program started in 1973. As we have previously indicated, sulfur and sand can be added to asphalt

in place of the aggregate which is not generally available in such areas as Texas, Louisiana, and Florida. These new materials are currently being demonstrated under actual traffic conditions and appear worthy of larger scale demonstrations.

In addition, the Bureau's research has shown that sulfur can be substituted for part of the asphalt in conventional asphalt-aggregate paving materials. This is particularly important because of increasing costs for the asphalt due to higher oil costs.

Another important use for sulfur is in recycling old asphalt pavements. The Bureau has shown that small additions of sulfur can be used to soften the old asphalt permitting it to be relaid as a new pavement. We plan to start some demonstration tests of this development during the next fiscal year.

Senator STEVENS. How much funding is being devoted to sulfur paving research in your budget request?

Dr. FALKIE. \$100,000 will be spent at Boulder City Metallurgy Laboratory and approximately \$50,000 additional on contracts and grants.

#### DATA COLLECTION AND ANALYSIS

Senator STEVENS. There is \$434,000 in cost increases but no apparent program expansion under your \$14.9 million request for data collection and analysis. Is this expected to be the ongoing program level for this work?

Dr. FALKIE. The \$434,000 in cost increases is for an increase in GSA space cost, the annualization of pay increases in accordance with the pay act, and the annualization of fiscal year 1976 new positions. Thus, the ongoing program will remain at its current level for 1977. The constrained fiscal climate made it impossible to request any increase for 1977 in this area so program expansion will have to wait until future years.

Senator STEVENS. How much of your data collection and analysis is involved in energy?

Dr. FALKIE. It is estimated that fiscal year 1977 energy data collection and analysis obligations will be \$4.3 million.

#### AGENCY RESPONSIBILITIES FOR DATA AND ANALYSIS

Senator STEVENS. Can you tell us how energy data and analysis responsibilities are distributed among the various involved agencies—ERDA, FEA, the Bureau and others? What coordination is there?

Dr. FALKIE. Energy data and analysis responsibilities are distributed along these general functional lines, namely regulatory, R. & D. and basic information. There are some areas of overlap; however, coordination and cooperation between agencies have resulted in excellent data exchange. The Bureau is making every effort to develop data and information exchange through interagency agreements, cooperation, and information dissemination.

Some Federal agencies which coordinate their data system activities or exchange data with the Bureau of Mines include the Bureau of Domestic Commerce, the Bureau of the Census, the Federal Power Commission, the Corps of Engineers, the General Services Administration, the Bureau of Land Management, and the Bureau of Indian Affairs.

The FEA and ERDA are newly created agencies. ERDA, it appears, is in the process of establishing an energy data system related to their Research and Development requirements. FEA, on the other hand, has a cooperative working agreement with the Bureau to use the Bureau as its data collection agency with the exception of some specific data that are collected relative to their regulatory functions.

Other examples of direct agreements with other agencies providing both policy level review and technical coordination by information specialists include those between the Survey, and the Bureau of Land Management, the Soil Conservation Service, and the National Oceanographic and Atmospheric Administration. An example of a multiagency body specifically created to guide information systems development is the Interagency Committee on Water Data which advises the Geological Survey on development of the National Water Data Exchange—NAWDEX. The Interagency Committee on Marine Science and Engineering is a policy level review group which has materially influenced cooperation between NOAA, the Survey, and other Federal agencies on marine information, and the National Cartographic Information Center—NCIC—is a governmentwide information system being developed by the Survey under guidelines established by the OMB's Federal mapping task force.

An example of a multiagency body specifically created to guide information systems development is the Federal Inter-Agency Council on Energy Information. The Council is concerned with effective policy and mechanisms for the exchange of information and for the development of the clearinghouse as an entity to provide service to all in Government. Federal agencies represented on the Council include the following named agencies: Office of Management and Budget; Department of Commerce; Department of the Interior; Department of the Treasury; Energy Research and Development Administration; Federal Energy Administration; Federal Power Commission; and Nuclear Regulatory Commission. In addition, the General Accounting Office will be invited to designate a representative to participate in the Council's proceedings as an observer.

Senator STEVENS. What other agencies might be involved in mineral data and analysis?

Dr. FALKIE. The Department of the Interior is the major organization in the Federal Government that collects, analyzes, and disseminates mineral data. Within the Department, the U.S. Geological Survey assesses mineral resources; the Bureau of Mines assesses mineral reserves and, by surveying industry and from other sources, analyzes and publishes information on mineral production, consumption and many other aspects of the mineral industry; the Mining Enforcement and Safety Administration collects health and safety information about the mineral industry; and the Office of Mineral Policy Development carries out special mineral studies.

A number of other departments and agencies are involved in mineral data and analysis although most use Department of the Interior basic data. Some of these include the Energy Research and Development Administration, the Federal Energy Administration, the Department of Commerce, the Federal Power Commission, the Federal Trade Commission, the Department of State, and the General Services Administration. Many other governmental organizations, such as the De-

partment of Defense, the Department of the Treasury, and the Securities and Exchange Commission, utilize Department of Interior data, but only as their own needs dictate.

Senator STEVENS. If you can round up the information, the committee would like to have for the record the total Federal bill for minerals and energy data collection and analysis.

Dr. FALKIE. The "Special Analyses" publication of the fiscal year 1977 budget, developed by the Office of Management and Budget, reports that it is estimated that \$17.6 million will be obligated on energy statistics in fiscal year 1976. It is our understanding that these figures do not include Geological Survey and ERDA. As far as we know we are the only agency that collects and analyzes minerals data, and our estimated budget for fiscal year 1977 is \$8.3 million.

#### STATE LIAISON PROGRAM

Senator STEVENS. How many positions are involved in your \$2.2 million State liaison program under the data and analysis activity?

Dr. FALKIE. There are 85 positions allocated for the State liaison program.

Senator STEVENS. It would seem that \$2.2 million would buy a great deal of liaison. What are we getting for all that money?

Dr. FALKIE. There are 38 liaison officers serving the 50 States. In 34 States they are the only link between the Bureau and the State. Consequently, they are the primary, and in many cases only, sources of mineral related information.

Because economic factors, mineral resources, and governmental structures differ among the States, the functions of the liaison officers vary. However, there are some activities common to all. It is their responsibility to monitor developments in the mineral industries at the local level, thus, providing quick, on-the-scene information for any crisis or problem that might arise. They author the State chapters of the annual Minerals Yearbook publication. The value of mineral production for the 50 States amounts to over \$36 billion annually. Their presence at the local level facilitates and strengthens Federal, State, and local cooperation in addressing and solving mineral industry problems.

These liaison officers provide invaluable Bureau and Federal services to State governments, industry, educational institutions, and the general public. For example, during the 1973-74 petroleum crisis 35 liaison officers managed the entire petroleum allocation system for their States until the Federal Energy Administration was able to take over the responsibility almost a year later. After FEA's takeover they continued this service in varying degrees. During the 1974 coal strike crisis these officers provided a day-to-day, on-the-scene monitoring of strike developments. Such services were provided at a minimal cost to the Federal Government because the liaison officers were already in the States.

Many other examples could be cited concerning the activities of the State liaison officers. Let it suffice to say that because of them channels of cooperation and information between the Federal Government and the States have been improved and expanded.

## MINED LAND DEMONSTRATIONS—ANTHRACITE AREA

Senator STEVENS. For engineering, evaluation and demonstration, the request is for \$9.2 million, down about \$3.7 million. Nearly \$2 million of the reduction involves the House add-on for mined land investigations in the anthracite coal region of Pennsylvania. What was the \$2 million add-on used for specifically in the current year?

Dr. FALKIE. The \$2 million add-on was used to implement a project for further advancement of the Bureau developed pressure flushing system for the prevention of mine subsidence. Specifically, a site in Jessup Borough, Pa., where subsidence is and has been occurring, has been selected whereby the Bureau can demonstrate the feasibility of injecting larger sized mine refuse—minus 2-inch—into several abandoned mine beds underlying a heavily populated area and where the Bureau will have access to the underground voids where it can, for the first time, observe, monitor and evaluate the ongoing pressure flushing process. The results of this project will not only reduce the mine subsidence potential in Jessup, but they will give our engineers better information as to the possible application of this technique to resolving mine subsidence problems in other areas.

Senator STEVENS. How much of the anthracite work is research and demonstration and how much is filling mine voids?

Dr. FALKIE. One of the most serious problems associated with past underground mining activities in the anthracite region is mine subsidence. Most of the abandoned mines are below heavily populated areas—so the problem is significant. Directly, about 80 percent of the anthracite area money is going into the development of techniques for the control of mine subsidence. The Bureau developed pressure flushing system appears to be the most effective way for filling inaccessible and inundated mine voids. There are many problems yet to be resolved such as determining the largest size material that can be pressure flushed, how to simultaneously flush multiple beds, how to pressure flush caved and broken areas, how to prevent surface blow-outs during pressure flushing, etc. We consider all of the work to be research and demonstration and we conduct these projects under actual conditions and in areas where the affected community can receive a direct benefit.

Senator STEVENS. Isn't there a program authorized for this kind of work on a matching basis? Is it used?

Dr. FALKIE. Yes; there are two programs that the Bureau administers where abandoned mines can be backfilled. One is the amended anthracite mine water control program whereby the Commonwealth of Pennsylvania can apply for 50-percent grants for projects in the interest of the public health and safety—Public Law 87-818, 1962—and the other is section 205 of the Appalachian Regional Development Act of 1965, Public Law 89-4, as amended, under which the Appalachian Regional Commission authorizes subsidence control projects in the 13-State region on a 75-percent Federal and 25-percent State or local matching basis. These are public works type programs and do not allow for the conduct of research and development. However, the results of the Bureau R. & D. subsidence work are incorporated under these programs when applicable. There have been no requests for sealing and filling grants from Pennsylvania under the Mine Water

Act since inception of the more favorable grant program under Appalachia. Several projects have been completed and others are now underway under the Appalachian authority. With regard to the anthracite mine water program, we have been indirectly advised by the Commonwealth of Pennsylvania that it intends to seek assistance for the sealing and filling of several dangerous abandoned mine shafts and openings throughout the anthracite region.

Senator STEVENS. What are the long-range objectives and estimated total funding required for the anthracite program for which your 1977 budget proposes \$3.8 million?

Dr. FALKIE. Long-range objectives for the anthracite area program anticipate continuation of present program thrusts toward resolving and correcting the many environmental problems associated with past mining and mineral processing activities throughout the anthracite region of northeastern Pennsylvania such as mine subsidence, mining process waste, mine fire control technology, the development of environmental control monitoring, et cetera. An example of our program plans is the disposal of mine waste banks which are an aesthetic degradation of the land, which generate acid mine water, and which can cause air pollution when they become ignited. There are over 1 billion tons of anthracite refuse banks on the surface in the more densely populated areas of the region and these refuse banks are estimated to contain some 100 million tons of recoverable coal. A current interest of the Bureau is the determination of the feasibility of recovering coal values from these banks, determining the recovery costs and simultaneously injecting the final spent refuse into abandoned mine voids which will reduce subsidence potential in the project area and eliminate sources of air and water pollution from the surface land. We would hope to cost-share this special project with an interested private company in the designated project area. Our long-range funding plan beyond fiscal year 1977 for all of the mined land demonstration activities in the anthracite area anticipates a \$6 million program through fiscal year 1981.

#### ROCK SPRINGS SUBSIDENCE CONTROL PROGRAM

Senator STEVENS. Bring us up to date on the Rock Springs subsidence program for which Congress appropriated \$1.5 million in the current year.

Dr. FALKIE. Funds provided by the Congress for fiscal year 1976, \$1.5 million, will allow the Bureau to complete this important demonstration project by flushing the remaining six critical subsidence prone areas in the city. Bids for this final project contract were solicited by the Bureau on March 1, 1976, and are scheduled to be opened on April 1, 1976. The actual flushing work should begin by May 15, 1976, and we estimate completion of the work within 250 calendar days, or by January 20, 1977—weather permitting.

Senator STEVENS. No funds are requested for Rock Springs work in 1977. Does that mean the Bureau feels its mission there is complete?

Dr. FALKIE. Yes; funds available in fiscal year 1976 will allow the Bureau to complete its demonstration work in Rock Springs. Completion of this final phase of the Rock Springs project will result in

the filling of all the known critical subsidence prone areas in the city.

#### PROGRAM ADMINISTRATION

Senator STEVENS. The request for program administration totals \$1.4 million, including an \$83,000 increase to cover costs. With a reduced overall program, why isn't it possible to cut down administrative expenses?

Dr. FALKIE. The costs for administrative expenses are not directly proportioned to program totals, Mr. Chairman. We do not automatically either increase or decrease administrative costs when the program increases or decreases. The increase of \$83,000 is for mandatory costs of employee's compensation, GSA space, and higher pay costs. And the reduced overall program is mostly related to decreases in contracts for large projects.

Senator STEVENS. Your travel request totals \$2.7 million, the same as for 1976. Can't this item be reduced in view of the smaller program level in your request?

Dr. FALKIE. As we said a moment ago, Mr. Chairman, the smaller program level is mostly related to reduced requirements for contracts on some projects. We have had to severely restrict travel last year and this year to make sure that every possible travel dollar went for accomplishing our program goals. We cannot recommend any reduction in travel, Mr. Chairman, and we ask the approval of the committee for our full travel request.

#### VACANT POSITIONS

Senator STEVENS. Your detail of permanent positions show 135 unfilled at the end of the 1977 fiscal year. Which of the various grades are expected to be vacant?

Dr. FALKIE. We really do not have any way of anticipating which specific positions might be vacant on September 30, 1977, Mr. Chairman. For example, we cannot anticipate retirements. We can put in the record a table showing what the 108 vacancies are by grade as of February 14, 1976, for our employment of 2,866 compared with our 2,974 permanent positions budgeted for fiscal year 1976.

Since February 14, 1976, which is the latest date we have for actual employment by grade, we have hired a net total of 22 additional employees through March 15, 1976. So that on that date our permanent full-time employment was 2,888. In addition to that we have commitments for about 30 more employees, which would bring our employment up to 2,918, or just slightly above our ceiling for the end of the year. Of course you realize that turnover from retirements and other causes, which for us averages about 20 percent on an annual basis, will change the employment figures day by day. We expect to be right at our ceiling of 2,916 by June 30, 1976.

[The information follows:]

## BUREAU OF MINES VACANCIES AS OF FEBRUARY 14, 1976

GS-18.....	1
GS-17.....	4
GS-16.....	7
GS-15.....	—
GS-14.....	7
GS-13.....	6
GS-12.....	20
GS-11.....	—
GS-10.....	—
GS-9.....	—
GS-8.....	—
GS-7.....	—
GS-6.....	—
GS-5.....	16
GS-4.....	6
GS-3.....	26
GS-2.....	14
GS-1.....	1
Ungraded.....	—
Total.....	108

<sup>1</sup>Includes 50 vacant positions for which employment is authorized and an additional 58 vacant positions for which employment is not authorized within the ceiling of 2,866 for June 30, 1976. For some vacancies there are commitments as discussed in the preceding testimony.

## NEW RIVER GORGE MINERALS SURVEY

Senator STEVENS. Last year this committee included a total of \$400,000 to conduct a comprehensive minerals survey of the New River Gorge area of West Virginia; \$200,000 was included in the Bureau of Mines' budget and \$200,000 in the budget for the Geological Survey.

Can you tell me how that work is progressing and when we may expect to receive a finalized report on the extent and value of the underlying mineral deposits within this area?

Dr. FALKIE. We have compiled available stratigraphic maps of the river corridor area and presently are making a first-cut estimate of coal reserves. We are also compiling maps of existing mines in the area to account for tonnage mined. A grant is being negotiated to compile an ownership map of the various coal interests in the 88,000-acre study area. We also will soon meet with officials of the West Virginia Geological and Economic Survey to pursue ways to bring their expertise into the overall study. We believe that by bringing expertise of the State agencies into the study we will complete the study and have a report prepared by February 1977.

## HELIUM FUND

Senator STEVENS. Your budget includes an estimate of \$47.5 million for contract authority under the helium fund. We had to rescind that amount for the current year; do you think you will need it in 1977?

Dr. FALKIE. No, Mr. Chairman, we are not planning to use that permanent contract authority in fiscal year 1977 since we are not planning to resume Government purchasing of helium. Rescission of the \$47.5 million for fiscal year 1977 will be proposed at the appropriate time next year.

#### IMPACT OF BUDGET CONSTRAINTS

Senator STEVENS. What impact is this constrained budget request likely to have on your minerals and energy resources research efforts?

Dr. FALKIE. The constrained budget request will cause a delay in constructing and operating a coal preparation pilot plant which is considered necessary in transferring improved technology. Budgetary constraints will also cause a reduced level of effort in research on mineral materials. Since all people in this country are heavily dependent on mineral materials, any benefits of improved mineral materials technology will accrue to the public and if research is constrained, benefits will be less.

We wanted to construct a coal preparation pilot plant because such a plant is needed in effectively transferring new technology to the coal industry. Coal producers are understandably reluctant to invest \$10 to \$20 million in a plant using a new or innovative process that is based only on the results of bench scale experiments. So, unless there is an intermediate step in the form of a pilot plant, the evolution of new technology from the laboratory to practice is extremely slow. The construction of a coal preparation pilot plant will be delayed 1 year at a time when a delay can mean hundreds of millions of dollars to the public because of high utility bills resulting from pass through charges and improper use of premium fuels.

The Bureau has planned research programs to enhance the development of submarginal deposits into important sources of critical materials such as nickel, chromium, mercury and cobalt. These programs will go on but at a lower level of effort and in the meantime the United States will continue to import almost all of its needs for these mineral materials. Although the coal mining research program is well funded, additional funds would have permitted a greater level of effort in underground mine support and similar research that could be applied to metal and nonmetal mines such as the potash of New Mexico which present a unique problem in mining numerous thin beds at great depth.

#### NEED FOR NO-YEAR LANGUAGE

Senator STEVENS. You are requesting that more than \$97 million of your research funds be made available until expended. With such timely obligations estimated, why do you need this no-year provision?

Dr. FALKIE. We do, indeed, need no-year funding for our coal mine health and safety R. & D. and for our metallurgy and mining energy research programs if we are to operate at an optimum level of efficiency. While we do plan to obligate all our requested funds in fiscal year 1977, circumstances can arise to make that impossible.

Our energy research programs are complex, systems-oriented activities which are strongly directed towards cost sharing and cooperative efforts with industry and large competitive and negotiated procure-

ments involving substantial amounts of long leadtimes. Because of the complexity of the negotiations and the level of detail of necessary review, the program effectiveness would be severely curtailed if annual funds had to be used.

For example, we carried forward \$1 million in the oil shale program into fiscal year 1976 for drilling services to obtain cores for mine design and large volume oil shale samples for metallurgical research from a deepshaft site being investigated in Colorado. Unforeseen delays in negotiations with the Geological Survey and the Bureau of Land Management on the site selection and necessary permits delayed this work past the programmed date. Because we had no-year funds we were able to award the drilling contract early in fiscal year 1976.

For another example, a \$1 million drilling project for methane degasification was delayed until July 1975, due to unforeseen problems with the Defense Contract Audit Agency audit and procurement concerns over the form of the contract. Every effort was made to obligate these two items in fiscal year 1975 but they slipped due to problems encountered. It is for such reasons that we need no-year funding so badly. It helps significantly to prevent material program delays, allows management flexibility, and makes it possible for us to maximize the effectiveness of our coal mine health and safety and energy-related programs.

Senator STEVENS. As you know, much of the requested no-year funding is not specifically authorized. Have you tried to get legislation to cover that problem?

Dr. FALKIE. We have not to date submitted such legislation. We are considering requesting legislation to cover the problem, with the possibility of including similar coverage for our nonenergy research and development programs which are currently funded by annual, that is, 1-year appropriations.

#### COAL MINING TECHNOLOGY RESEARCH

Senator STEVENS. Let's go to your mining research activity, for which you are requesting \$107.1 million. This activity contains your only program increase, and it is about \$4.2 million over 1976.

The program increase involves an additional \$5.1 million for coal mining technology. First, how much of the 1976 appropriation for this work has been obligated to date?

Dr. FALKIE. As of the end of February, \$6.6 million was actually obligated, that is, contracts were signed; an additional \$28.8 million was undergoing our rather lengthy procurement process, and the remaining \$10.1 million available for contract research was committed to anticipated contract extensions and modifications.

Senator STEVENS. Do you feel the Bureau can effectively obligate the nearly \$60 million requested for coal mining technology in 1977?

Dr. FALKIE. Yes; the program is maturing and the program mix is shifting from problem definition and concept development toward hardware and systems development and demonstration which is substantially more expensive.

## COAL TECHNOLOGY AND SAFETY REGULATIONS

Senator STEVENS. I note one of the constraints to developing new coal mining technology is adaptation of safety regulations to meet newly developed technology needs. Do you think this problem can be handled properly?

Dr. FALKIE. We have taken a large step in this direction with the construction of our surface test facility at Bruceton, Pa. In this facility we will be able to test and demonstrate newly developed prototype equipment under a variety of simulated underground conditions but without the hazards and high costs that are inevitable in actual underground tests. By conducting full scale trials under non-hazardous conditions we hope to demonstrate to ourselves and to MESA that identifiable hazards have been eliminated and the equipment is safe to take underground. By so doing, we hope to minimize what could be a very serious constraint upon the development and utilization of improved technology.

## COAL TECHNOLOGY RESEARCH ACCOMPLISHMENTS

Senator STEVENS. Many of the accomplishments in coal mining technology listed on pages 75 and 76 of the justifications involve studies. What portion of your funding for this activity involves studies and analyses and what portion goes to design, development and demonstration?

Dr. FALKIE. As I mentioned earlier, our program mix is moving from problem definition and concept development toward hardware and systems development and demonstration. The studies and analysis we have undertaken enable us to focus on the specific problems where the need is most urgent and the payout is greatest. They are prominent in the list of accomplishments because they were generally short term whereas development and demonstration R. & D. is longer term. In the first year and a half about 25 out of 143 contract actions were so-called paper studies. Most of the remaining contracts were for design, development and demonstration type activities. We expect that both the number and dollar volume of studies and analysis will continue to diminish as we concentrate on implementation rather than planning but they will continue to play an important role in our program, mainly in seeing that we stay on track.

Senator STEVENS. Dr. Falkie, last year this committee included an additional \$10 million for mining research and improved mining technology. Could you tell us now or provide for the record if the information is not readily available, how those funds were or will be obligated?

Dr. FALKIE. As a consequence of the increased funding we were able to undertake work that would otherwise have been delayed and to accelerate work that was underway—for example, we were able to undertake development of a thin seam longwall mining system applicable to beds 40 inches thick or less, and to start looking at the automation of room and pillar mining. We were also able to accelerate the development of a machine to bore mine shafts blind, to accelerate development of a large diameter shaft boring system and to accelerate research on the degasification of coal beds.

## COAL INDUSTRY RESEARCH EXPENDITURES

Senator STEVENS. How much is the coal mining industry contributing to mining technology development in the current year?

Dr. FALKIE. We do not have a precise figure on what the industry itself spends on mining technology development or what it realistically contributes in the form of cost sharing contracts. Up until this year we have estimated that industry expenditures on mining research have been running about \$11 million per year. We estimate that industry's portion of cost sharing contracts with Bureau of Mines mining research programs will be about \$20 million in fiscal year 1976. In most cases this is additional work that would not be undertaken without Bureau of Mines stimulation and underwriting of high risk aspects.

## CARBONDALE MINING RESEARCH CENTER

Senator STEVENS. As you know, the Congress provided an additional \$1.5 million for the current year to establish a mining research center at Carbondale, Ill., and this is reflected as a decrease in the 1977 coal mining technology program. What has been accomplished to date with this funding?

Dr. FALKIE. The new center has been organizationally established in the Department of the Interior and initial discussions concerning the acquisition of suitable property and facilities have been accomplished. Although no funds from this appropriation have been expended to date it is anticipated that facility acquisition will consume a significant portion of the available funds.

Senator STEVENS. What kind of matching funds has this appropriation generated?

Dr. FALKIE. None to date.

Senator STEVENS. Please supply for the record a breakdown of expenditures to date and estimated for the balance of the year on the Carbondale project.

Dr. FALKIE. To date, no expenditures have been made—the center was organizationally established on February 25. For the remainder of the year the majority of the funds are expected to be expended on the facility; the exact amount will depend on negotiations in process. The remainder will be spent for programs relevant to the problems of this area.

## LABOR AND INDUSTRY RESEARCH COOPERATION

Senator STEVENS. Please expand on the labor-industry adversary positions mentioned on page 49 as a constraint to health and safety research.

Dr. FALKIE. Although cooperation in the research program to date by labor-industry has been satisfactory, there are certain problem areas where possible research has indeed been constrained.

A specific example of this can be seen in the transcript of the 13th meeting of the Secretary's Advisory Committee on Coal Mine Safety Research, April 9, 1974. Proposed research in the education and training area that involved miner motivational studies was subsequently abandoned as a result of the above publicly voiced opposition by the labor representative.

One other example of constraint that will be cited is relative to research on the use of diesels in underground coal mines. Operators have in the past petitioned for controlled demonstrations of underground diesel haulage. The demonstrations would have been supported and overseen by Bureau of Mines and MESA. At least one coal operator is presently advocating a trial installation well monitored by all parties concerned. Currently, the United Mine Workers is objecting to a 2-year program to test diesel equipment that is sought by a West Virginia subcommittee on coal mining. No underground demonstration has materialized to date and one is unlikely without full labor-industry cooperation.

#### METAL AND NONMETAL HEALTH AND SAFETY RESEARCH

Senator STEVENS. The request for metal and nonmetal mine health and safety research is the same as the current year, \$5.6 million. That's about one-fifth the coal health and safety effort. Does this reflect a lesser need in the industry.

Dr. FALKIE. No; the accident and fatality rates in noncoal mining are unacceptable. There is a wider variety of mining methods used in the noncoal industry which generates a wider range of problem areas that must be addressed. The total metal and nonmetal work force is at least double that of the coal industry. Additional funding in this area was not possible within the fiscal constraints of this budget.

Senator STEVENS. Your justifications point out that unlike the coal healthy and safety act, the noncoal act does not provide any specific authorization for funding research. Is anybody doing anything to correct this deficiency?

Dr. FALKIE. While a bill requesting specific authorization language for funding research on metal and nonmetal mine health and safety has not been forwarded to Congress, the Bureau of Mines would strongly support any legislative action that would amend the noncoal act.

#### QUESTIONS BY SENATOR M'GEE

Senator STEVENS. We have several questions submitted by Senator McGee which I will ask you to answer for the record.

In the meantime, I have to go to a meeting and come back. Senator Young will chair the meeting until I return.

Thank you, Senator.

[The questions and answers follow:]

## Questions submitted by Senator McGee

Question: Last year \$1.5 million was included in the Bureau of Mines' appropriations for completion of subsidence operations in Rock Springs, Wyoming. What is the status of that operation, and when will it be completed?

Answer: Funds provided by the Congress for Fiscal Year 1976, \$1.5 million, will allow the Bureau to complete this important demonstration project by flushing the remaining six critical subsidence prone areas in the city. Bids for this final project contract were solicited by the Bureau on March 1, 1976, and are scheduled to be opened on April 1, 1976. The actual flushing work should begin by May 15, 1976, and we estimate completion of the work within 250 calendar days, or by January 20, 1977,--weather permitting.

Question: Your estimates for Wyoming coal production provided this subcommittee last year indicated that 26 million tons of coal would be mined in 1975 and 50 million tons by 1980. What was the tonnage of coal production in 1975 and what will the projected amount be for successive years through 1985?

Answer: Wyoming coal production totaled 24 million tons in 1975 according to preliminary Bureau of Mines data. The earlier projection of 50 million tons in annual production by 1980 was developed by the Interagency Coal Task Force of Project Independence in late 1974. In view of more recently announced plans for new mining capacities in Wyoming, this figure now appears conservative.

Data being developed by the Bureau of Mines on announced new mining capacities in Wyoming, planned and proposed, indicate more than 100 million tons of new coal mining capacity by 1985. Furthermore, nearly all of this new capacity is planned or proposed for full development over the next five years.

Although production levels over the next 10 years are not expected to equal planned and proposed new mining capacities announced plus existing capacities, such levels will most likely be substantially higher than those envisioned earlier by the Interagency Coal Task Force. Accordingly, it appears that annual coal production, in millions of tons, for Wyoming over the next decade may be more in the order of the following:

1976 - 32	1981 - 100
1977 - 50	1982 - 105
1978 - 65	1983 - 107
1979 - 80	1984 - 110
1980 - 95	1985 - 112

Question: How will this coal be transported?

Answer: Transportation of Wyoming coal currently consists of 70 percent rail transport, and about 30 percent tramway and truck transport. Most of the latter percentage is composed of tramway transport for minemouth generation plants. River transport is negligible.

While these percentages are not expected to change significantly over the next decade, development of coal pipelines in Wyoming, if permitted, could have some impact on the growth potential of railroad coal trans-

port where rail is a viable alternative to pipeline transport of coal to distant markets. Under consideration are plans for (1) a 1,036-mile coal pipeline from Gillette, Wyoming to White Bluff, Arkansas, scheduled for completion in 1979 with a capacity of 25 million tons annually, and (2) an 800-mile pipeline from Fremont County, Wyoming to Northeast Oregon. The completion date and capacity of the latter pipeline has not been announced.

The 1 or 2 coal gasification plants that may come on stream prior to 1985 would be mine-mouth operations, thereby increasing the percentage of this method of movement accordingly.

Question: Is your State Liaison Office adequately staffed and funded in Wyoming? Please outline the functions of this Office during the last complete fiscal year. What programs is this Office undertaking this fiscal year?

Answer: The Wyoming Liaison Office is staffed by two persons: a petroleum engineer with a Masters Degree from the University of Wyoming and a program staff assistant. Experience, gained over the period since the office's establishment in September, 1970, indicates that this staffing level is adequate to carry out the required responsibilities.

The functions of the Liaison Officers vary from State to State, however, there are some continuing activities that are common to all. They monitor developments in the mineral industries at the local level, thus, providing quick on-the-scene information for any crisis or problem that might arise. They facilitate and strengthen Federal, State, and local cooperation in addressing and solving mineral industry problems. And Bureau and Federal services are provided State governments, industry, educational institutions, and the general public. Managing the petroleum allocation system and monitoring the 1974 coal strike are examples of these services.

Specifically, in FY 1976, the Wyoming Liaison Officer is authoring the state chapter of the annual Minerals Yearbook publication. In 1975 the value of mineral production in Wyoming was over \$1.6 billion. As the Director's personal representative he has the lead role in a cooperative agreement with the State Geologist to provide his office with mineral production data so that duplication of effort will be eliminated. He is working with the three Wyoming areawide management planning agencies that will be involved in program planning and implementation of Section 208 of the Federal Water Pollution Control Act Amendments of 1972. The areas involved in Wyoming include Powder River, Green River, and Jackson Hole.

In FY 1977, there will be a continuation of the functions and services described above.

Question: I note that \$10 million was provided in fiscal 1976, and \$10.7 million is requested for fiscal 1977 for surface coal mining programs. What programs are in operation and contemplated in my state? How are the state and local governments involved?

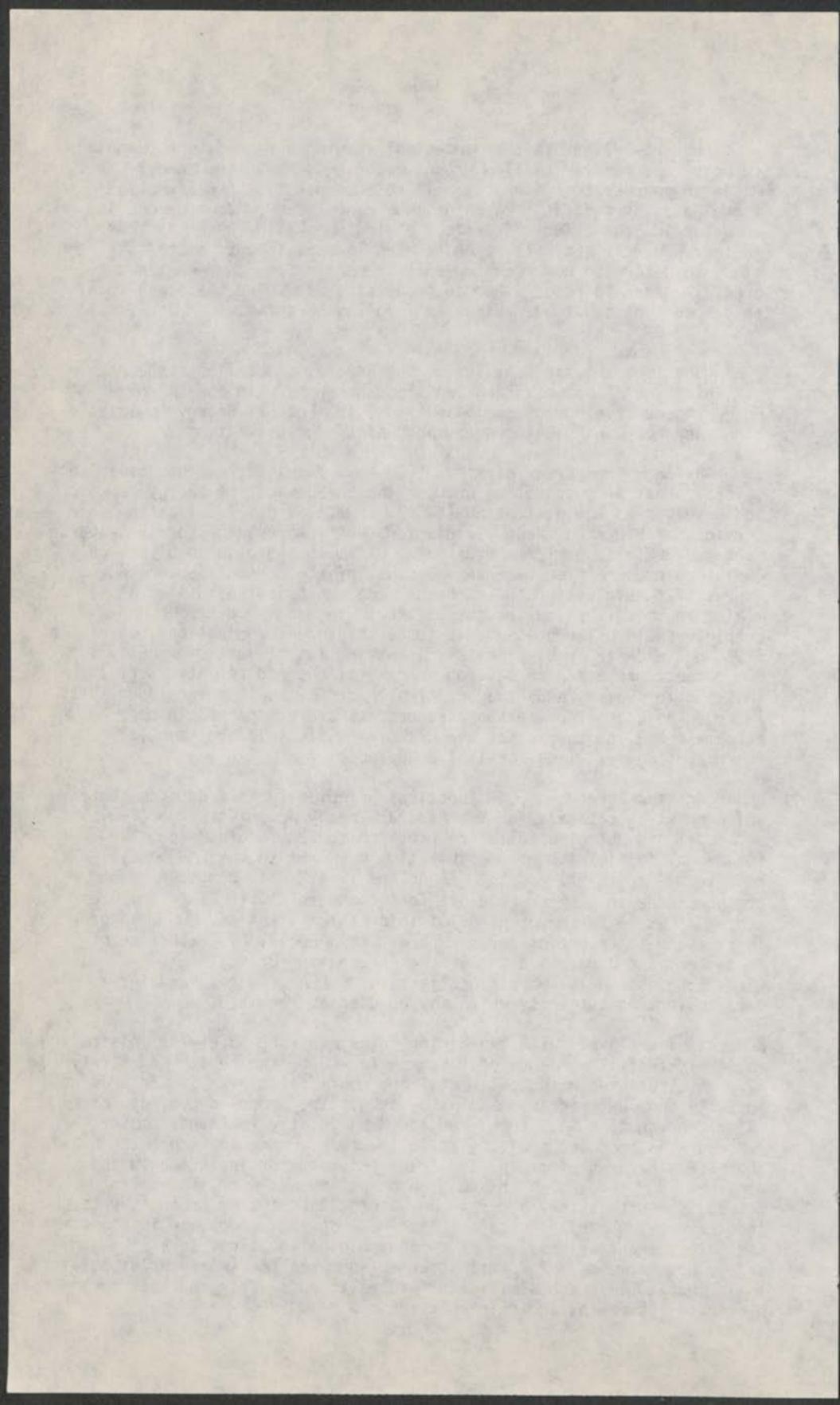
Answer: We are in the process of issuing a request for proposals to model and monitor shallow ground water systems in the Powder River Basin in your state. Since it will be a competitive procurement, I can only say that it is a major long range study. The purpose is to determine the effect of surface mining on shallow water systems. Another project that will be undertaken in part in your state is a study to determine how much top soil is required on surface mined areas in order to return them to productive use. The state and local governments have not been directly involved thus far.

Question: Please provide for the Record, a detailed statement outlining your liaison arrangements and programs with the Energy Research and Development Administration, the Federal Energy Administration, and the Mining Enforcement and Safety Administration.

Answer: The Bureau of Mines (BOM) has formal agreements covering several areas of cooperation between the Bureau and the Energy Research and Development Administration (ERDA). BOM provides facilitating services at Bruceston, Pennsylvania for ERDA's Pittsburgh Energy Research Center. BOM also performs proximate, ultimate and other analyses on coal samples submitted by ERDA. Because of the Bureau's acknowledged expertise in evaluating the technical and economic feasibility of mining and metallurgical processes, including coal conversion and complete shale oil processes, it conducts process evaluation studies for ERDA on a wide array of processes involving fossil fuels. Finally, BOM conducts research to develop special alloys and cermet materials suitable for valves and other critical parts of coal conversion plants. In some instances the liaison arrangements are prescribed in the agreement and in other cases the principal officials are identified in Project Report Plans for liaison purposes.

Under written agreements BOM functions principally in a data collecting and processing capacity for the Federal Energy Administration (FEA). Both coal and petroleum data are provided to FEA in order that the agency may fulfill its responsibilities pursuant to the Emergency Petroleum Act of 1973 and the FEA Act of 1974. Data compiled by BOM are presented in machine-readable form compatible with FEA's computer system to expedite the exchange of information. FEA and BOM may agree to revise data reporting forms, subject to approval by the Office of Management and Budget and the General Accounting Office, to meet FEA's congressionally mandated objectives. FEA also has mandatory data collection authority which may be used as required.

BOM consults closely with the Mining Enforcement and Safety Administration (MESA) in fulfilling mandated research to reduce the health and safety hazards associated with coal, metal and non-metal mining. MESA provides input to the BOM program planning by submitting proposed projects of major concern to MESA. Then, BOM and MESA jointly rank the combined BOM and MESA proposed projects as to their relevance to reduce the health and safety hazards of mining and their priority for inclusion in the program. BOM keeps MESA informed on a routine basis of significant accomplishments as they occur in an attempt to transfer technology to industry at the earliest stage. Both MESA and BOM cooperate in sponsoring technology transfer sessions at various mining locations on health and safety developments. A formal agreement between the two agencies outlines their individual responsibilities for health and safety and sets forth procedures governing their interactions.



## GEOLOGICAL SURVEY

STATEMENT OF VINCENT E. McKELVEY, DIRECTOR

## ACCOMPANIED BY:

WILLIAM A. RADLINSKI, ASSOCIATE DIRECTOR

HENRY W. COULTER, ASSISTANT DIRECTOR, ENVIRONMENTAL  
CONSERVATION

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DALE D. BAJEMA, ASSISTANT DIRECTOR, PROGRAM ANALYSIS

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TION

JOSEPH S. CRAGWALL, CHIEF HYDROLOGIST

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JACK J. STASSI, BUDGET OFFICER

BILL BETTENBERG, DEPUTY DIRECTOR OF BUDGET, OFFICE  
OF THE SECRETARY

## BUDGET REQUEST

Senator YOUNG [presiding]. We will ask the U.S. Geological Survey witnesses to come forward. Dr. McKelvey, we are pleased to have you here this morning.

I would make a few opening remarks:

Your fiscal 1977 budget estimates total \$284.3 million. That is an increase of \$17 million over appropriations to date. The justification has been included in part 1 of the hearing record.

Dr. McKelvey, your prepared statement will be printed in the record. Please summarize your opening statement after you introduce those with you at the witness table.

[The statement follows:]

Mr. Chairman and Members of the Committee:

I welcome the opportunity to meet with you again to discuss our proposed programs in support of national needs. From our previous meetings I know that you share our interests and concerns about our Nation's natural resources and we look forward to your questions and comments about our plans for FY 1977. I will first outline our proposed FY 1977 program, focusing mainly on increases and decreases compared to FY 1976, and then make some general comments on potential problems.

The FY 1977 budget request for the Geological Survey is \$284.3 million, an increase of \$11.8 million over FY 1976. The increase consists of \$26.7 million in new program proposals, offset by \$20.2 million in program reductions, for a net program increase of \$6.5 million, plus \$5.3 million for increases in pay and space cost. The proposed budget has been shaped in response to the Administration's determination to tighten Federal expenditures in FY 1977 and provides a financial framework within which program emphasis has been rearranged to carry out the Survey's resource and environmental missions.

The major program increases include \$17.3 million for regulation, classification and evaluation of energy leases both onshore and offshore, \$2.8 million for mineral and energy resource assessments including the environmental aspects of energy development, \$2.5 million for an expanded coal hydrology program, including continuation of the Madison limestone aquifer study and oil shale and nuclear hydrology studies, \$3.5 million for topographic mapping including \$1.3 million for continued development of the National Cartographic Information Center, and \$0.7 million to respond to the Geological Survey's increased responsibility under the National Environmental Policy Act.

Decreases in program funding to support these increases by activity are:

Topographic Surveys and Mapping	-\$ 2.2 million
Geologic and Mineral Resources	- 11.1 million
Water Resources Investigations	- 4.6 million
Land Information and Analysis	- 2.0 million
General Administration	- 0.3 million

These increases and decreases respond to a dramatic increase in the Survey's lease management activities and a continuing shift from non-energy into energy-related programs, and result in a shift from emphasis on traditional Survey research and development activities into programs of applied research, evaluation, and management on Federal and Indian Lands.

In addition to an increased emphasis on the regulatory aspects of our program, which are energy related, we are reprogramming funds from General Geological Research and Investigations and General Hydrological Research and Investigations to support the national energy program. Figure-1 shows the growth in energy related investigations and research compared to the decrease in non-energy related research and investigations. Within this framework, the Survey will continue to carry out its basic activities of geologic and hydrologic research and investigations necessary to fulfill its national earth-sciences mission. I will now highlight our proposed FY 1977 budget on an activity basis.

CONSERVATION OF LANDS AND MINERALS ACTIVITY

The increase in support of the Conservation Division's regulatory program (\$17.3 million) is larger than the total increase for the Survey (\$11.8 million). Reprogramming from other basic Survey programs will help meet the cost of the increased regulatory responsibilities. The \$17.3 million increase will be utilized as follows - for regulation of OCS oil and gas operations (\$3.5 million), OCS tract selection and evaluation (\$5.2 million), OCS reserve inventory (\$1.3 million), regulation of operations on Federal and Indian oil and gas leases (\$5.5 million), and regulation of operations on Federal and Indian energy and mineral leases (\$1.7 million)

During FY 1976 and FY 1977 fourteen sales for oil and gas are scheduled by the Department of the Interior, including sales in three OCS areas where no leasing has been done previously. Nine of these sales are scheduled in FY 1977 totalling about 13 million acres (2,600 tracts)-- an unprecedented workload in tract evaluations. These sales will increase the follow-on lease management workload for approval and inspection of exploratory drilling in addition to the workload of plan reviews and approval inspections resulting from expanded sales in FY 1975 and FY 1976 (see Figure 2).

A proposed increase in onshore activities is needed to keep pace with increasing workload for well approvals, environmental analysis studies, and inspections of oil and gas operations. In addition, a significant workload increase is expected on mineral leases for coal and uranium.

We will also implement the recommendations of a contract study of the onshore lease management programs and the Department of the Interior's Office of Audit and Investigation study of royalty accounting. These recommendations are designed to streamline operations, and promulgate a comprehensive set of regulations covering objectives, policies, procedures, and standards for oil and gas activities.

USGS  
Comparison of FY 1976 & FY 1977 Programs  
(dollars in millions)

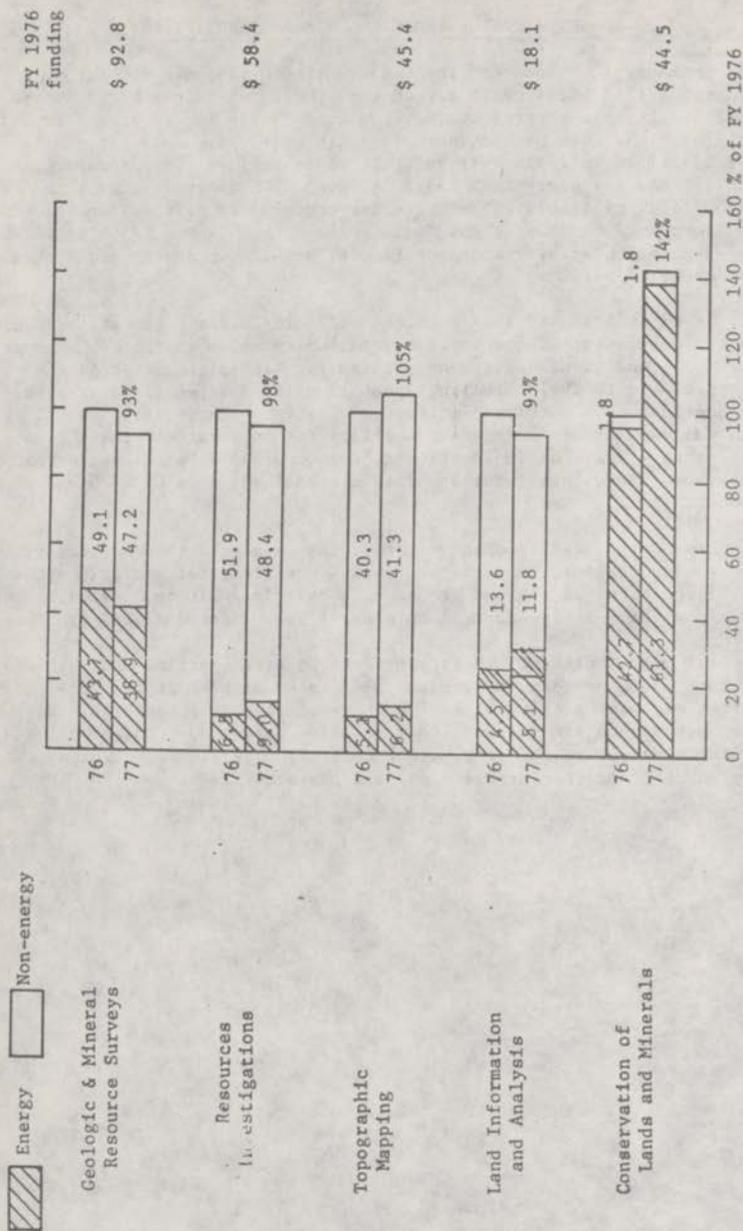


Figure 1

Selected Oil & Gas Workload  
for Federal Lands, Conservation of Lands  
& Minerals Activity  
FY 1976 & FY 1977

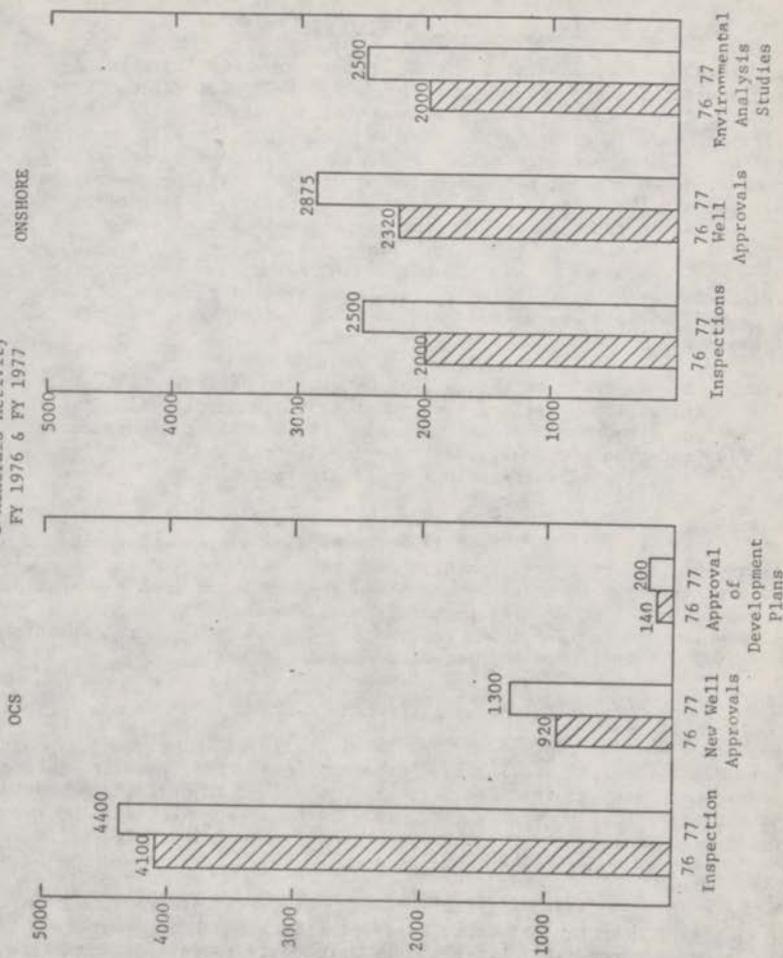


Figure 2

GEOLOGIC AND MINERAL RESOURCES ACTIVITY

The FY 1977 budget request for this activity is \$86.1 million, a programmatic decrease of \$8.3 million. The 1977 budget request provides for increased efforts in the environmental aspects of energy (+\$1.2 million), which includes assessment of geologic hazards in nuclear reactor siting and environmental studies of coal to provide earth science information concerning the consequences of coal development decisions, coal investigations to achieve a better understanding of geological and geochemical factors controlling the distribution and nature of the nation's coal resources (+\$0.4 million), uranium/thorium resource assessments to improve our knowledge of the nature and distribution of nuclear fuel resources (+\$0.4 million), and Alaska mineral resource assessments to provide a rapid evaluation of mineral potential of Alaska (+\$0.8 million).

These increases are more than offset by program decreases in geothermal investigations (\$6.0 million), regional geologic mapping (\$2.7 million), oil and gas resource appraisals offshore (\$1.3 million), earthquake hazards reduction (\$0.7 million), engineering geology (\$0.2 million), and marine geology investigations (\$0.2 million).

Continued at the same level of funding as FY 1976 will be such important programs as the Volcano Hazards program to improve our understanding of volcanos, our Arctic Environmental Studies to develop background geologic and engineering data necessary to assess the potential probable environmental effect of major transportation corridors in Alaska, and the Wilderness Resource Appraisal Program to evaluate the mineral resource potential of lands proposed for wilderness designation.

WATER RESOURCES INVESTIGATIONS ACTIVITY

The FY 1977 budget request for this activity is \$57.4 million, a programmatic decrease of \$2.1 million. Reprogramming in FY 1977 will provide for expanded and intensified activities in oil shale hydrology (\$300,000), and nuclear energy hydrology (\$200,000). Activities which will be reduced or deferred include the national water data subactivity (\$2.0 million) and flood hazard mapping (\$0.1 million).

The continuing national program of water resources investigations during FY 1977 will have the objective of appraising the Nation's water resources and producing the necessary water data to develop and manage them efficiently. Particular attention will be focused on coastal zone studies and the production of hydrologic information for western energy development.

LAND INFORMATION AND ANALYSIS ACTIVITY

The FY 1977 budget request for this activity is \$16.9 million. A programmatic decrease of \$1.3 million. An increase of \$0.7 million is required for the the environmental impact analysis program. The EIS workload is as shown in the following table:

## Environmental Impact Statements

	<u>Prepared or Contributed to</u>	<u>Reviewed</u>
FY 1976	32	2,400
FY 1977	42	2,650

A significant portion of the workload is related to reviewing and performing environmental analyses associated with energy projects. This activity supports the programs of agencies such as the Bureau of Land Management and the Corps of Engineers. The effort of making interpreted geologic information and analyses available for better public use will be continued by completing urban area studies for Baltimore, Washington, Connecticut Valley, San Francisco Bay area, Pittsburgh, and Phoenix; geologic studies for the Colorado Front Range Urban corridor; and guidebooks for siting onshore facilities in support of OCS development and planning for reclamation of mine areas.

TOPOGRAPHIC SURVEYS AND MAPPING ACTIVITY

The FY 1977 budget request for Topographic Surveys and Mapping is \$47.5, a programmatic increase of \$1.3 million. This increase will be used for the expansion of the National Cartographic Information Center to gather, process, and distribute the growing volume of cartographic data and information.

In addition, \$2.2 million is being reprogrammed from the quadrangle mapping and revision subactivity to the small scale and special mapping subactivity to provide accurate and consistent intermediate scale base mapping required for multi Federal and State agency use; 370 such maps will be produced in FY 1977 as contrasted to 115 in FY 1976. Special emphasis will also be placed on production and revision of 1:24,000 scale map products in coastal zone areas most likely to be impacted by offshore oil and gas development; 400 new maps, revisions, and orthophotoquads will be prepared in FY 1977 as contrasted to 240 in FY 1976. The basic mapping program will be continued by preparing 85,000 square miles of new 7.5-minute maps in FY 1977 as contrasted to 95,000 square miles in FY 1976; 90,000 square miles of revision of 7.5-minute maps in FY 1977 as contrasted to 87,000 square miles in FY 1976; and 5,000 orthophotoquads, the same number as FY 1976.

Mr. Chairman, that concludes my summary of the highlights of our FY 1977 proposals. They respond, as I indicated earlier, to the need to curtail growth in the rate of increase in Federal spending and represent our best efforts to redirect Survey programs to meet immediate needs for expansion in lease management, energy, and environmental responsibilities.

Looking at the future, however, I believe we must be mindful of rapidly accelerating difficulties in assuring the availability of the resources needed to sustain our level of living and to maintain a viable and

satisfying environment. This is our bicentennial Year - our 200th anniversary. I have pointed out that if we consider our accumulated use of resources and their environmental consequences in the building of our society as the First America, the equivalent in the building of the Second America will take place by the year 2000 or thereabouts. This projection is not based on an assumption of continued economic growth but is merely a broad assessment of the resource needs of a still growing population at present per capita levels of consumption. Because there is a rather direct relation between resource production and consumption and environmental impact, one can say also that if we do not conduct these activities in an environmentally safe manner, then we could do as much harm to the environment as we have done in all of our previous history.

A broad spectrum of knowledge and actions will be required to cope with the problems of the Second America. Within this spectrum, however, I believe the Geological Survey's programs--both our regulatory and research and fact-finding components--have a major role to play. Our FY 1977 program proposals are a step in the direction of accelerating our efforts with respect to petroleum and coal on Federal lands and with respect to attack on associated environmental problems.

Finally, Mr. Chairman, I would like to call the Committee's attention to a report just completed by Dr. Allen Agnew of the Congressional Research Service for the Senate Interior Committee on the Geological Survey, and to a letter from Dr. Matt Walton, Director of the Minnesota Geological Survey, to Senator Jackson commenting on this report. Dr. Walton's letter is a warm testimonial to the Geological Survey. I ask that it be included in the record not just to share a compliment but to pass on a significant independent view about the fundamental importance of earth science research and fact-finding to the nation's welfare.

Thank you, Mr. Chairman. We will be glad to answer your questions.

INCREASES, DECREASES, AND REPROGRAMMING  
(dollars in millions)

	Programmatic Increases (+) Decreases (-)	Pay and Space Costs	FY 1977 Budget Request
<u>Topographic Surveys and Mapping</u>	+\$1.3	+\$\$.8	\$47.5
1. Quadrangle Mapping and Revision	(-\$2.2)		
2. Small Scale and Special Mapping	(+\$2.2)		
3. NCIC	(+\$1.3)		
<u>Geologic and Mineral Resources</u>	-\$8.3	+1.5	86.1
4. Earthquake Hazards Reduction	(-\$0.7)		
5. Environmental Aspects of Energy	(+\$1.2)		
6. Engineering Geology	(-\$0.2)		
7. Regional Mapping	(-\$2.7)		
8. AMRAP	(+\$0.8)		
9. Coal Resource Investigations	(+\$0.4)		
10. Uranium/Thorium Resource Assessments	(+\$0.4)		
11. Geothermal Investigations	(-\$6.0)		
12. Oil and Gas Resource Appraisal Offshore	(-\$1.3)		
13. Marine Geology Investigations	(-\$0.2)		
<u>Water Resources Investigations</u>	-\$2.1	+1.1	57.4
14. National Water Data Systems	(-\$2.0)		
15. Flood Hazard Mapping	(-\$0.1)		
16. Oil Shale Hydrology	(+\$0.3)		
17. Nuclear Hydrology	(+\$0.2)		
18. Critical National Water Problems	(-\$0.5)		
<u>Conservation</u>	+\$17.3	+\$1.3	\$63.1
19. Regulation of OCS Oil and Gas Operations	(+\$3.5)		
20. OCS Evaluation	(+\$5.2)		
21. OCS Reserve Inventory	(+\$1.3)		
22. Onshore Oil and Gas Regulation	(+\$5.5)		
23. Coal Regulation	(+\$1.5)		
24. Oil Shale Regulation	(+\$0.2)		
<u>LIA</u>	-\$1.3	+\$\$.9	\$16.9
25. Environmental Impact Analysis	(+\$0.7)		
26. EROS	(-\$2.0)		

## LETTER FROM MATT WALTON

UNIVERSITY OF MINNESOTA  
TWIN CITIES

Minnesota Geological Survey  
1633 Eustis Street  
St. Paul, Minnesota 55105  
(612) 373-3372

January 22, 1976

My dear Senator Jackson:

Through the courtesy of the Congressional Research Service of the Library of Congress I have received a Committee print of the report prepared at your request on the U.S. Geological Survey. I would like to add my own testimonial to the immense value of the U.S. Geological Survey. I speak from nearly 40 years of professional experience in geology: in research, as a professor at major universities, as an independent private consultant, and at present as the Director of the Minnesota Geological Survey.

In the early days of exploration and mineral resource discovery, when almost everyone is in some sense a prospector at heart, the relationship of geology to the discovery of mineral resources and fossil fuels is easily perceived and firmly fixed in the public mind. Later, as resources become established within the framework of major industrial development, the need for and value of geological investigations by a public agency in the public interest becomes less obvious but actually much greater. It is difficult for someone not on the firing line to understand the extent to which the availability of good, accurate, geological, hydrological and topographical information is simply presumed in the process of governance and in all sectors of both private and public planning and development.

Laws and regulations relating to planning, development, environmental protection, conservation and reclamation of resources have proliferated in recent years. There is scarcely a regulation, guideline, planning protocol or permit requirement for a public or private action of any substantial magnitude affecting land and water that does not explicitly or implicitly require some or all aspects of the geology to be taken into consideration. I am sometimes bemused at the question of where people think this "geology" comes from. I can assure you it does not come from crash programs and quick eyeballing.

The useful, reliable geological information so widely needed at this time is only available, to the extent that it is available, through more than a century of dedicated, professional geological investigations by the U.S. Geological Survey and the geological surveys of the states. As the pressure of society on its environment and resources becomes greater, the need for this work becomes greater, and this need can only be met effectively by a solid, coherent, continuing program commensurate with the growth and development of the nation.

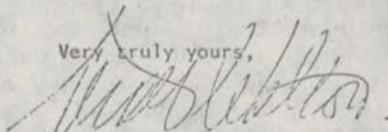
No place is this more clearly evident than in the sudden rush to develop energy resources with the establishment of a new major agency funded at unprecedented levels for this purpose. To achieve significant results within a time frame of a few years, all aspects of energy development involving geology will of necessity be founded on the solid information base laid by the work of the geological surveys, and one can safely predict a great deal of reinventing of the wheel if the U.S. Geological Survey is not given a strong and decisive role in this effort. The high standards of scientific

and professional expertise as well as information which the U.S. Geological Survey has consistently maintained should be one of our most valuable assets in this crisis and in the similar impending crisis in mineral resources.

Perhaps a word is in order about the relationship of the U.S. Geological Survey to the geological surveys of the states. There may have been times in the past when there was some redundancy or even conflict between the state agencies and the federal agency. Great strides have been made in recent years in developing cooperation and coordination. Through the medium of grants, contracts and cooperative programs the U.S. Geological Survey draws on the manpower, facilities and local expertise of state surveys to take some of the stress from federal manpower and physical facility requirements. The state surveys frequently provide a management medium by which the research facilities and scientific talents of state universities throughout the country can be directed toward national problems. In this way, rather than competing with universities for scientific talent, the process of training new scientific and technical manpower in the geological sciences is enhanced.

For the reasons I have outlined I wish to express my strong support, as the Director of a state geological survey, for the U.S. Geological Survey. It is a productive and constructive function of government. It performs services that are not and cannot be provided by the private sector. It is an agency of high professional competence which merits the confidence and support of Congress.

Very truly yours,



Matt Walton  
Director  
Minnesota Geological Survey

## SUMMARY OF OPENING STATEMENT

Dr. MCKELVEY. Thank you, Mr. Chairman.

We are very pleased to have our Acting Assistant Secretary, Dr. William Fisher, on my left, and our Associate Director, William A. Radlinski, on my right. Also with me here at the table is our Budget Officer, Mr. Jack Stassi, and our Assistant Director for Land Information Analysis, Dr. James Balsley.

I thank you for incorporating my full statement in the record, and I will just touch on the highlights of the main budget structure.

As you mentioned, our total request is for \$284.3 million for fiscal year 1977. That includes \$6.5 million that represents a program increase, and \$5.3 million to cover pay and space cost increases.

Those figures, however, give little indication of the changes in our budget proposal. The total request includes \$26.7 million in programmatic increases, largely energy related, and including activities relating to our regulatory responsibilities. To provide this increase requires, however, that \$20.2 million be reprogrammed from other existing Geological Survey programs.

The programmatic increases involved in that \$26.7 million include \$17.3 million for the lease management and evaluation activity, \$2.8 million for mineral and energy assessments, \$2.5 million for coal, oil shale, and nuclear hydrology, \$3.5 million for the National Cartographic Information Center and intermediate scale topographic mapping, and \$670,000 for energy impact assessment.

The decreases in other programs required to achieve those increases include \$2.2 million in the 1:24,000 scale topographic mapping program, \$11.1 million in geologic studies, including a decrease of \$6 million for geothermal energy resources assessment, \$4.6 million from water resources programs, \$2 million from land information and analysis programs, specifically the EROS program, and \$300,000 from General Administration.

## EARTHQUAKE HAZARDS REDUCTION PROGRAM

Now I would like to add to that overview of our budget a report about some further actions that will be coming to the committee in relation to this request.

About a week ago, the administration, taking account of the new development in the southern California area of a substantial uplift which occurred astride the San Andreas fault over the last 15 years, realized that it was essential to gain a better understanding of that phenomenon and its possible significance with respect to an earthquake that could occur in that area.

Consequently, the administration has decided to increase the funds available for studies of the uplift and seismic activity in that area by a total of \$2.6 million. Of that amount, \$1.3 million would be reprogrammed from within the Geological Survey's budget, so that the total amount for earthquake research for fiscal year 1977 would be increased from \$10.5 to \$11.8 million. In addition \$1.3 million is to be derived from the National Science Foundation as passthrough funds.

## HAWAIIAN VOLCANO STUDIES

Senator INOUE [presiding]. Dr. McKelvey, may I interrupt as we go along, sir?

Dr. MCKELVEY. Please.

Senator INOUE. In your statement you mention that the volcano hazards program will be maintained at the same level of funding in fiscal year 1977 as in fiscal year 1976. As you may be aware, we in Hawaii were very much concerned about the two events of 1975, the eruption of Mauna Loa in July and the earthquake in November.

During these events it was shown that there were certain deficiencies in the Geological Survey's Hawaiian Volcano Observatory and the communication system was less than adequate. As the observatory serves as the principal source and clearinghouse for information on volcano-related disasters, I think it is necessary that a standby power system be established there, and that the telephone and radio systems be upgraded.

Further, you have indicated that you would take the necessary steps to implement these improvements. How would you improve these deficiencies?

Dr. MCKELVEY. Mr. Chairman, we have already taken steps to remedy those deficiencies, and on that topic I would like to thank you personally for the help that you arranged for us in getting helicopter support during the critical period. But we are remedying those deficiencies and doing our best to maintain an adequate monitoring system at Mauna Loa.

Senator INOUE. Is this assistance to the observatory carried out at the expense of other programs?

Dr. MCKELVEY. We have a fund for purchasing equipment and supplies, Mr. Chairman, and it came from that fund. The amount involved was not large, as I recall. The need was of the order of \$25,000 or \$30,000.

## ADEQUACY OF VOLCANO STUDIES

Senator INOUE. In a recent report which you issued a few days ago, your office predicted that by June 1978 Mauna Loa will be experiencing a much greater eruption than we have seen in recent days. It also suggests that the flow will be threatening the city of Hilo, a city of 38,000 people, and that steps would have to be taken to prepare the city for any contingency.

Taking this into consideration, do you believe that you have adequate resources presently budgeted in terms of helicopter observation and other monitoring activities?

Dr. MCKELVEY. Mr. Chairman, I believe that the funds that we have are adequate to handle our part of such an emergency, should it take place.

We are able to make a prediction of another eruption within the period you indicated on the basis of the pattern of historical eruptions of Manua Loa, since a summit eruption is generally followed by a flank eruption within a period of months, or a year or so.

Now, we have been working with other authorities in Hawaii to anticipate that and plan what to do in the event that such an eruption

should take place and actually threaten Hilo. The response to such an eruption might include preventive measures, possibly bombing, which has been done successfully a few times in the past, to divert the lava flow; possibly artificial dams of one kind or another. Recently we had a conference with the military to examine those possibilities with an eye to preparing for that kind of action if it is necessary. We assume that the cost of such defensive measures would be borne by other organizations.

The same would apply to defensive actions that might be taken of other kinds with respect to the city of Hilo.

Senator INOUE. I believe that the Defense Department in Hawaii will be requesting additional sums of approximately \$25,000 for the testing of ordnance to divert lava flows.

Dr. MCKELVEY. Yes; I was not familiar with the exact amount, but they have certainly responded with great interest and concern, and I am glad to hear that they are making such a request.

Senator INOUE. My prime concern with this problem in Hawaii is a very simple one. I am certain your agency will do whatever it can to assist us, and I am certain that Congress will respond. But I would hate to think that the assistance is being granted to us at the expense of other programs of importance.

Dr. MCKELVEY. This is not the case with our expenditures, Mr. Chairman. The budget for work in this general area has not been affected by the reprogramming which I spoke of earlier. It has not added to it or subtracted from it.

#### DISASTER RELIEF ACT OF 1974

Senator INOUE. Thank you very much, sir. Please proceed.

Dr. MCKELVEY. I had one final item that I wanted to report to the committee that relates to the subject that we have been talking about.

The Disaster Relief Act of 1974 called for the issuance of warnings of impending disasters such as earthquakes, volcanic eruptions, landslides, and floods. The responsibility for that was placed in the Department of Housing and Urban Development. But last November that responsibility was redelegated from HUD to the Secretary of the Interior. Just a few weeks ago the Secretary of the Interior redelegated this responsibility for the issuance of warnings of geologic disasters to me as the Director of the Geological Survey.

At this particular time, we do not have the capability to issue warnings, particularly in the sense of making a prediction that would include the time when an event is expected to take place, the place where it is expected to happen, the magnitude of the event, and its effects.

We have the capability for making predictions of some natural disasters with respect to the place and approximately with respect to time, Mauna Loa being a very good example, and with respect to magnitude and effects also in that particular instance. As yet, for volcanic eruptions, we have not developed a capability to forecast the time of the event with any accuracy.

When something happens of the sort that happened with Mauna Loa so that you could put the event in a historic pattern of development, it helps to narrow down the time. But we do not have much of a capability with respect to time in any exactitude for Mauna Loa or to approximate time of eruptions for most other volcanoes.

That capability for prediction is even less well developed in certain other areas. With some kinds of earthquakes, we feel we are crossing the threshold of the beginning of having a very small capability for predicting earthquakes.

But in any case, we are going to do our best to respond to this new responsibility, and I am pleased to see that the act does carry as its first section a statement to the effect that the President will assist agencies with appropriate responsibilities for prediction to develop a capability. We are looking forward to future development in this particular area.

Thank you, Mr. Chairman.

#### VOLCANO FUNDING

Senator INOUE. If I can be of any help to your agency in getting funds for programs to predict volcanic eruptions, you just let me know.

Dr. MCKELVEY. Thank you very much. You have fully demonstrated already your willingness to help in this area. As I indicated, we very much appreciate your efforts.

Senator INOUE. It is very difficult to allay the fear that rests in the hearts and minds of some of my constituents, especially those living in Hilo. Every morning they get up and see that volcano up there. Now that they have received news of a report from your office suggesting that by June 1977 they will have a big blowup there, that fear has increased.

Dr. MCKELVEY. Fortunately, most of the time it is beautiful.

Senator INOUE. Fortunately. Please proceed, sir.

Dr. MCKELVEY. That concludes my summary statement, Mr. Chairman. I will be happy to respond to your questions.

#### BUDGET REDUCTIONS

Senator INOUE. Doctor, I have here nine pages of questions that have been prepared by the subcommittee for your consideration. I must confess to you that in regard to most of these questions I must express much ignorance. But if I may, I would like to proceed with some of them.

With adjustments for pending supplementals and cost increases, your total budget is nearly \$7 million over the 1976 funding. But within that overall increase, as your statement notes, there are some rather sharp reductions. In effect, some of your traditional mineral, mapping and water programs are being cut back to help pay for energy-related increases. Is that a fair summary?

Dr. MCKELVEY. Yes, it is, Mr. Chairman.

#### IMPACT OF PROGRAM REDUCTIONS

Senator INOUE. In all, it would appear that these traditional programs are taking a reduction totaling more than \$20 million. Do you feel that this reduction is acceptable in view of the Nation's continuing energy, mineral and water development needs?

Dr. MCKELVEY. Mr. Chairman, as you know, the budget development process consists initially of the attempt to recognize increasing

or changing needs within the Bureau presentation of those proposals to the Department, and the Department acting with advice from the Office of Management and Budget—

Senator STEVENS [presiding]. We beg your pardon, Doctor. I hope you notice that we are playing musical chairs today. In the newspaper this morning, we have three columns listing committee meetings going on simultaneously, and if you can possibly protect your interest under this process, you are what they call peripatetic.

Continue, and again my apologies.

Dr. MCKELVEY. Shall I proceed in answering the question, Mr. Chairman?

Senator Inouye asked if I felt that the reprogramming which involves decreases in many of our basic programs was a wise thing in view of resource problems that are developing and facing the country in the years ahead.

I was reviewing the process of the budget development, saying that it begins at project and Bureau level with an attempt to assess increasing and changing needs, followed by a presentation of that to the Department, and an exchange of perhaps several proposals between the Department and the Bureau; finally a submission from the Department to the Office of Management and Budget; and lastly, the development of the President's budget which is presented to Congress.

As you know, this year the President has determined to bring about a decrease in the rate of growth of the Federal budget and to bring some fiscal balance into the Federal budget. That had to be done by a process of balancing priorities that I am sure was extremely difficult. In our case it involved the reduction of efforts in these very basic programs.

I, at my level, and I am sure the Secretary at his level—neither of us are able to have the same overview that the Office of Management and Budget and the President have in their balancing of needs and priorities in the construction of the President's budget.

Senator STEVENS. We appreciate that, Dr. McKelvey. I am sure that we understand that we might disagree, some of us for one reason and some of us for another, but we understand the process.

The committee is aware that budget constraints were the main reason for curtailing these programs. But we wonder how much influence you and your associates at the Survey had in allocating the various program reductions.

Dr. MCKELVEY. Very little, Mr. Chairman. This is a process that goes on for some several months, beginning with our requests to the Department. Subsequently, a mark is given to us, and the Department develops a budget, balancing its priorities. This budget is then examined by the OMB which also has to balance its priorities and make recommendations to the President.

#### USGS BUDGET DEVELOPMENT

Senator STEVENS. The committee, at its request, has a table depicting the Interior Department's budget development for fiscal year 1977. It indicates the Survey's final OMB allowance is far below your initial request and nearly \$43 million below even the Department's allowance. Please submit for the record a breakdown by activity and subactivity of the departmental request that was denied by OMB.

Dr. MCKELVEY. I will do that, Mr. Chairman.

[The information follows:]

U.S. GEOLOGICAL SURVEY  
Direct Appropriation  
Summary of Funds and Positions

Comparison of FY 1976 Appropriation, and FY 1977 OHB Budget Request to Congressional Request  
(Dollars in thousands)

Program Activity	FY 1976 Appropriation		FY 1977 Request to OHB		FY 1977 Congressional Request		FY 1977 Congressional Budget Request		Inc. (+)/Decr. (-)	
	Amount	/ Positions	Amount	Positions	Amount	Positions	Amount	Positions	Amount	Positions
Alaska Pipelines Related										
Investigations	\$ 319	7	\$ 311	7	\$ 321	7	\$ +2	--	\$ +10	--
Program	319	7	311	7	319	7	--	--	+8	--
Annualize increased pay costs	--	--	--	--	2	--	+2	--	+2	--
Topographic Surveys and Mapping	45,414	1,699	55,699	1,739	47,482	1,695	+2,068	-4	-8,217	-44
Quadrangle mapping & revision	41,180	1,564	47,557	1,584	38,980	1,541	-2,200	-23	-8,577	-43
Small scale & spec. mapping	2,682	101	4,886	125	4,882	124	+2,200	+23	-4	-1
XCIC	1,552	34	3,256	30	2,843	30	+1,291	-4	-413	--
Annualize increased pay costs	--	--	--	--	480	--	+480	--	+480	--
GSA space costs	--	--	--	--	297	--	+297	--	+297	--
Geologic and Mineral Resource Surveys and Mapping	92,859	2,067	101,720	2,177	86,052	1,940	-6,807	-127	-15,668	-237
Land resource surveys:	33,816	884	36,750	893	31,397	843	-2,419	-61	-5,353	-50
Earthquake hazards reduction	11,222	240	11,960	232	10,522	228	-700	-12	-1,438	-4
Volcanic hazards	666	23	641	21	666	23	--	--	+25	+2
Environ. aspects of energy	5,092	91	7,611	137	6,292	112	+1,200	--	-1,319	-25
Arctic environ. studies	407	5	404	4	407	5	--	--	+3	+1
Engineering	1,296	39	1,285	38	1,065	35	-231	-4	-220	-3
Regional mapping:										
Geological, Geophysical & geochem.	9,407	297	9,220	284	7,735	268	-1,672	-29	-1,485	-16
Dating & correlating	4,523	155	4,438	145	3,723	141	-800	-14	-715	-4
Basic geologic processes	1,203	34	1,191	32	987	31	-216	-3	-204	-1
Mineral resource surveys:	20,390	576	22,320	570	21,190	584	+800	+14	-1,130	+14
Mineral resource appraisal:										
Wilderness resource appraisal	1,216	32	3,765	60	1,216	32	--	--	-2,549	-28
Alaskan mineral res. appra.	3,635	54	2,573	50	4,435	62	+800	+8	+1,862	+12
Min. for energy production	572	20	515	20	572	20	--	--	+57	--
Critical mineral commodities	1,514	45	2,465	51	1,514	45	--	--	-951	-6
Geologic & geophysical mapping	1,814	61	1,743	56	1,814	61	--	--	+66	+5
NSIP	216	5	205	4	216	5	--	--	+11	+1
Mineral information system	1,986	32	1,978	29	1,986	32	--	--	+8	+3
Geology of mineral occurrence	5,433	184	5,233	169	5,433	184	--	--	+200	+15
Geochemical & geophy. appraisal	4,004	143	3,838	131	4,004	143	--	--	+166	+12

Program Activity	FY 1976 Approp.		FY 1977 Request to ONB		FY 1977 Congressional Request		FY 1977 Congressional Budget Request	
	Amount	Positions	Amount	Positions	Amount	Positions	Inc. (+)/Decr. (-) from FY 76 Approp.	Inc. (+)/Decr. (-) from FY 77 O&B Request
<b>Geologic and Mineral Resource Surveys and Mapping (Cont'd)</b>								
Energy resource surveys:								
Coal resource investigations	2,473	447	\$27,145	520	\$18,943	356	\$-8,202	-164
Onshore oil & gas res. invest.	5,244	98	4,061	85	2,873	79	-1,188	-6
Oil shale res. investigations	1,107	23	6,510	123	5,244	98	-1,266	-25
Uranium/thorium res. assess.	4,515	90	1,069	25	1,107	25	+38	+
Geothermal investigations	9,354	159	4,702	102	4,915	97	+400	-5
Energy resource data system	1,450	5	9,114	169	3,354	54	-5,760	-115
Offshore geologic surveys:								
Oil & gas res. appra. offshore	14,510	160	15,505	194	13,026	157	-2,39	-11
Energy related environ. invest.	9,113	98	10,309	119	7,810	98	-2,479	-37
Marine geology	4,018	34	3,871	34	4,018	34	+2,499	-21
Annualize increased pay costs	1,379	28	1,325	23	1,198	25	-181	-18
GSA space costs	---	---	---	---	699	---	+689	+
Annualize new position costs	---	---	---	---	534	---	+534	---
	---	---	---	---	263	---	+263	---
	---	---	---	---	---	---	---	---
<b>Water Resources Investigations:</b>	58,342	1,663	63,229	1,818	57,382	1,663	-960	-155
National water data systems:								
Federal program:								
Coordination of Nat'l wtr data	21,063	640	23,203	711	19,063	635	-2,000	-74
Data collect & analysis	10,872	335	12,949	401	10,122	336	-106	---
NADEX	260	6	260	6	---	---	-750	-65
Regional resource appraisals	670	21	672	21	270	---	-402	---
Core prog. hydr. res.	5,070	154	5,105	157	4,670	155	-400	-2
Hydrologic res. on pub. lands	350	8	340	---	---	---	-350	-8
Trng, pub. & supp. svcs.	3,050	96	3,080	98	3,050	97	-30	-1
Federal-State	27,234	853	29,351	893	27,934	853	-1,417	-40
Critical National Water Problems:	9,345	170	10,675	214	9,265	175	-80	-39
Accelerated energy R&D:								
Coal hydrology	3,174	32	4,040	77	3,174	40	-866	-37
Oil shale hydrology	2,035	19	2,339	24	2,335	25	+300	+1
Nuclear energy hydrology	1,051	7	1,266	12	1,251	11	+200	-1
Underground heat storage	103	1	103	1	103	1	---	---
Ground water recharge	1,202	45	1,175	39	902	39	-300	-6
Subsurface waste storage	1,253	47	1,225	42	1,053	42	-200	---
Flood hazard mapping	376	16	376	16	296	13	-80	+1
Estuarine & coastal studies	151	3	151	3	151	3	---	---
Annualize increased pay costs	---	---	---	---	---	---	+504	---
GSA space costs	---	---	---	---	526	---	+526	---
Annualize new position costs	---	---	---	---	90	---	+90	---

Program Activity	FY 1976 Approp.		FY 1977 Request to OMB		FY 1977 Congressional Request		FY 1977 Congressional Budget Request	
	Amount	Positions	Amount	Positions	Amount	Positions	Amount	Positions
Conservation of Lands and Minerals	\$44,512	1,207	\$63,878	1,969	\$63,079	1,716	\$+18,567	\$-799
Outer Continental Shelf Lands:	28,739	617	40,116	1,099	38,784	925	+10,045	-1,332
Regulation of OCS oil & gas	12,531	348	16,075	393	16,043	440	+3,532	-32
OCS min. tract sel. & res. eval.								+47
OCS oil & gas tract sel. & eval.	15,697	263	21,241	617	20,930	425	+5,233	-311
Reserve Inventory of O & G	--	--	1,300	54	1,300	54	+1,300	--
OCS tract sel. & eval solid min.			500	21	--	--	--	-500
Res. on OCS opr. safety devices	511	6	1,000	14	511	6	--	-489
Federal and Indian lands:	15,773	590	23,762	870	22,987	791	+7,214	-201
Res. of opr. on F&I O&G leases	6,830	315	12,452	502	12,314	457	+5,484	-138
Rep. of opr. on F&I energy min. leases	1,158	37	2,700	97	2,686	89	+1,528	-14
Rep. of opr. on F&I oil shale leases	373	12	570	20	575	19	+202	+5
Rep. of opr. on F&I geothermal leases	1,032	28	1,200	33	1,032	28	--	-168
Rep. of opr. on F&I non-energy min.	1,496	49	2,000	69	1,496	49	-504	-20
O&G lease tract class. & eval.	316	12	319	12	316	12	--	-3
Coal land class. & eval.----	2,530	83	2,499	83	2,530	83	+31	--
Oil shale class. & eval.----	299	5	297	5	299	5	--	+2
Geothermal class. & eval.----	978	21	968	21	978	21	--	+10
Non-energy min. land class. & eval.	280	8	286	8	280	8	--	-6
Water res. devel. class. & eval.	481	20	471	20	481	20	--	+10
Annualize increased pay costs	--	--	--	--	299	--	+299	--
GSA space costs-----	--	--	--	--	141	--	+141	--
Annualize new position costs -	--	--	--	--	868	--	+868	--
General Administration:-----	3,887	161	3,852	164	3,647	161	-240	-3
Program-----	3,887	161	3,852	164	3,587	161	-300	-3
Annualize increased pay costs	--	--	--	--	60	--	+60	--
Facilities:-----	9,029	37	9,027	37	9,448	37	+421	--
S&C and Facilities Management	9,029	37	9,027	37	9,029	37	--	--
Annualize increased pay costs	--	--	--	--	9	--	+9	--
GSA space costs-----	--	--	--	--	390	--	+390	--
Annualize new position costs -	--	--	--	--	20	--	+20	--
Land Information and Analysis:---	18,137	195	22,043	267	16,897	195	-1,240	-52
Earth science applications---	1,630	25	1,600	25	1,630	25	--	+30
Resource and land investigations	985	8	985	8	985	8	--	+22
Geography-----	2,447	29	2,535	29	2,447	29	--	-88

Program Activity	FY 1976 Approp.		FY 1977 Request to OMB		FY 1977 Congressional Request		FY 1977 Congressional Budget Request	
	Amount	Positions	Amount	Positions	Amount	Positions	Inc. (+)/Decr. (-) from FY 76 Approp.	Inc. (+)/Decr. (-) from FY 77 OMB Request
Land Information and Analysis (Cont'd)								
Environmental impact analysis -	\$2,680	68	\$5,930	118	\$3,350	68	\$ +670	\$ -2,580
Earth resources observation sys.	10,395	65	11,015	67	8,395	65	-2,000	-2,620
Annualize increased pay costs	--	--	--	--	63	--	+63	+63
GSA space costs	--	--	3	--	3	--	+3	--
Annualize new position costs	--	--	--	--	24	--	+24	+24
GRAND TOTAL	272,499	7,036	319,759	8,158	284,308	7,414	+11,809	-25,451
Programs	272,499	7,036	319,759	8,158	279,036	7,414	+6,537	-40,723
Annualize increased pay costs	--	--	--	--	2,116	--	+2,116	+2,116
GSA space costs	--	--	1,891	--	1,891	--	+1,891	+1,891
Annualize new position costs	--	--	--	--	1,265	--	+1,265	+1,265

1/ Includes \$5,252 proposed pay cost supplemental.

## RESEARCH FUNDING

Senator STEVENS. Although the Survey has been primarily a research-oriented agency, it would appear this budget before us involves a significant shift in funding to nonresearch programs. What is the total dollar shift from research to nonresearch?

Dr. MCKELVEY. The shift is about \$8.3 million, and it occurs primarily in the geologic and minerals resource surveys and mapping activity.

Senator STEVENS. This shift in funding emphasis also involves a movement of personnel from traditional programs to regulatory activities. What is the total personnel impact, and what will this do to ongoing activities in research and in work performed for states and other Federal agencies?

Dr. MCKELVEY. Mr. Chairman, I will offer a table for the record which shows the movement of personnel and funds within the activities of the Geological Survey. Overall research will be reduced by about \$8.3 million in directly funded programs. This table also shows a reduction of 282 positions for programs financed by States and other Federal agencies. The impact of this reduction has not been fully assessed yet.

[The information follows:]

## GEOLOGICAL SURVEY

Summary of Increases and Decreases, 1977

	Increase(+) or Decrease(-)	
	Amount	Permanent Positions
<u>SURVEYS, INVESTIGATIONS, AND RESEARCH</u>		
<u>Alaska pipeline related investigations:</u>		
Annualization of October 1975 pay raise .....	\$ +2,000	--
<u>Topographic surveys and mapping:</u>		
Quadrangle mapping and revision .....	-2,200,000	-23
Small scale and special mapping .....	+2,200,000	+23
National cartographic information center ....	+1,291,000	-4
Annualization of October 1975 pay raise .....	+480,000	--
GSA space costs .....	+297,000	--
Total .....	+2,068,000	-4
<u>Geologic and mineral resource surveys and mapping:</u>		
Earthquake hazards reduction .....	-700,000	-12
Environmental aspects of energy .....	+1,200,000	+21
Engineering geology .....	-231,000	-4
Regional mapping and analysis .....	-2,688,000	-46
Alaskan mineral resource appraisal .....	+800,000	+8
Coal resource investigations .....	+400,000	+7
Uranium/thorium resource assessment .....	+400,000	+7
Geothermal investigations .....	-6,000,000	-105
Oil and gas resource appraisals offshore ....	-1,303,000	--
Marine geology investigations .....	-181,000	-3
Annualization of October 1975 pay raise .....	+699,000	--
GSA space costs .....	+534,000	--
Annualization of FY 1976 new position costs ..	+263,000	--
Total .....	-6,807,000	-127
<u>Water resources investigations:</u>		
Coordination of National water data activities	-100,000	--
Data collection and analysis .....	-750,000	+1
Regional resource appraisals .....	-400,000	--
Core program hydrologic research .....	-400,000	+1
Hydrologic investigations on public lands ...	-350,000	-7
Federal-State coop - coal hydrology .....	+2,000,000	+8
Federal-State coop - base program .....	-2,000,000	--
Oil shale hydrology .....	+300,000	+6
Nuclear energy hydrology .....	+200,000	+4
Ground water recharge .....	-300,000	-6
Subsurface waste storage .....	-200,000	-4
Flood hazard mapping .....	-80,000	-3
Annualization of October 1975 pay costs .....	+504,000	--
GSA space costs .....	+526,000	--
Annualization of FY 1976 new position costs ..	+90,000	--
Total .....	-960,000	--

## GEOLOGICAL SURVEY

Summary of Increases and Decreases, 1977 (continued)

	Increase(+) or Decrease(-)	
	Amount	Permanent Positions
<u>Conservation of lands and minerals:</u>		
Regulation of OCS oil and gas operations ....	\$+3,512,000	+92
Lease tract selection & evaluation of OCS oil and gas resources .....	+5,233,000	+162
Reserve inventory of OCS oil and gas fields .	+1,300,000	+54
Regulation of operations on Federal and Indian oil and gas leases .....	+5,484,000	+142
Regulation of operations on Federal and Indian energy minerals .....	+1,528,000	+52
Regulation of operations on Federal and Indian oil shale leases .....	+202,000	+7
Annualization of October 1975 pay raise ....	+299,000	--
GSA space costs .....	+141,000	--
Annualization of FY 1976 new position costs .	+868,000	--
Total .....	+18,567,000	+509
<u>General administration:</u>		
General administration program reduction ....	-300,000	--
Annualization of October 1975 pay raise .....	+60,000	--
Total .....	-240,000	--
<u>Facilities:</u>		
Annualization of October 1975 pay raise .....	+9,000	--
GSA space costs .....	+390,000	--
Annualization of FY 1976 new position costs .	+20,000	--
Total .....	+419,000	--
<u>Land information and analysis:</u>		
Environmental impact analysis .....	+670,000	--
Earth resources observation systems .....	-2,000,000	--
Annualization of October 1975 pay raise ....	+63,000	--
GSA space costs .....	+3,000	--
Annualization of FY 1976 new position costs .	+24,000	--
Total .....	-1,240,000	--
Net increase, Surveys, Investigations and Research .....	+11,809,000	+378
Reimbursements .....	+1,818,000	-212
Working Funds .....	-1,492,000	-70
GRAND TOTAL .....	+12,135,000	+96

## GEOTHERMAL RESEARCH PROGRAM REDUCTION

Senator STEVENS. How come you lost \$6 million in the geothermal account though? It looks like it went over to ERDA. How did that happen?

Dr. MCKELVEY. I cannot answer that, Mr. Chairman.

Senator STEVENS. Has it moved over to ERDA?

Dr. MCKELVEY. There is some confusion on that. ERDA developed their budget request for a slightly larger amount of money than they actually received with the expectation that the coordination that had already existed between ERDA and the Geological Survey in this area would continue, and that the Survey would continue to bear its part of the program. However, in the special analyses section of the fiscal year 1977 budget there is a statement by OMB to the effect that the decrease in the Survey's budget for geothermal energy was offset by a similar increase in the ERDA budget in this particular area, that is, the geothermal resource assessment.

In the Secretary's remarks to both the House and the Senate Appropriation Committees in hearings earlier this month, he pointed out that the Department had asked the Office of Management and Budget for an explanation of this, and had asked that those funds be restored to the Geological Survey's budget.

I might say that the Geothermal Act of 1974, which specifies the responsibilities of various agencies for various parts of the geothermal project, specifically assigns to the Geological Survey the responsibility for geothermal assessment. The situation presently is simply not clear.

On the record, the 1977 request in ERDA's budget for work on geothermal resource assessment is about \$9.5 million, as I recall, and the Geological Survey's is on the order of \$3 million. That is a reversal of the situation in fiscal 1976 when ERDA's was about \$3 million and the Geological Survey's was about \$9 million.

## OCS LEASE MANAGEMENT BUDGET REQUEST

Senator STEVENS. What about the OCS? You are asking for a \$3.5 million increase in OCS, and yet as far as I know, Alaska's 1.1 million acres is the only announced sale in the leasing schedule. Do you really need that increase and what is it for?

Dr. MCKELVEY. The increase for OCS totals about \$10 million for activities directly related to leasing.

Senator STEVENS. I am asking about the regulatory activities.

Dr. MCKELVEY. That is what I am speaking to.

Senator STEVENS. If you are not leasing, why are you regulating?

Dr. MCKELVEY. About nine sales are planned for fiscal 1977 in the OCS.

## SCHEDULE OF OCS SALES

Senator STEVENS. Can you give us a list of those and their dates for the record?

Dr. MCKELVEY. I would be happy to do that.

Senator STEVENS. Compare them to your list last year and what was actually leased, will you?

Dr. MCKELVEY. We would be happy to do that.

[The information follows:]

## FY 1977 OCS Sale Planning Schedule Compared to FY 1976 Planning Schedule

Sale	Sale No.	Planning Schedule in FY 1976 Budget	Planning Schedule - Transition Quarter 7/76-9/76	Planning Schedule for FY 1977 10/76-9/77
Central Gulf of Mexico	(38)	5/75 (held 7/75)		
Southern California	(35)	7/75 (held 12/75)		
*Cook Inlet	(C-1)	8/75		10/76
Gulf of Alaska	(39)	9/75 (Slipped to 4/76)		
Mid Atlantic	(40)	12/75	7/76	
Gulf of Mexico	(41)	2/76 (held on schedule)		10/76
North Atlantic	(42)	5/76		11/76
South Atlantic	(43)	8/76		
South California	(44)	9/76 (cancelled)		10/76
Gulf of Mexico	(44)			3/77
Bering Sea	(45)	10/76		12/76
Gulf of Alaska	(46)	12/76		4/77
Gulf of Mexico	(47)	2/77		6/77
Southern California	(48)	5/77		8/77
Mid Atlantic	(49)	7/77		

\*Originally conceived to be a possible State of Alaska sale.

## ALASKA SALE

Senator STEVENS. My understanding is that the only thing that went forward was the Alaska sale, wasn't it?

Dr. MCKELVEY. No; several sales were held and others will be held.

Senator STEVENS. In new areas?

Dr. MCKELVEY. Including the southern California borderland, which was considered to be a frontier; yes.

Senator STEVENS. How much is being offered for leasing down there?

Dr. MCKELVEY. I believe the amount offered was close to 1 million acres.

## RESOURCE EVALUATION

Senator STEVENS. What about the evaluation? There is an increase there of \$5.2 million for the evaluation.

Dr. MCKELVEY. That anticipates the sales about which I spoke, the nine sales planned for fiscal 1977.

Senator STEVENS. Are any of those sales tied up in litigation?

Dr. MCKELVEY. No; not at the present time, sir.

## OCS LEASING SCHEDULE SLIPPAGE

Senator STEVENS. The schedule did slip, though, in 1976. How many of those in this list of nine for 1977 were on the list for 1976?

Dr. MCKELVEY. I believe six were planned and five were held.

Mr. FISHER. There was some slippage. The Alaska sale was scheduled for last September, and will be held in April.

Senator STEVENS. Still in the same fiscal year?

Mr. FISHER. Yes, sir.

Senator STEVENS. How many have slipped out of the fiscal year in the next one? I believe the mid-Atlantic sale has slipped.

Mr. FISHER. It may very well. But the earliest date that the mid-Atlantic sale could be held would be approximately mid-June. So there is a good possibility that would slip.

Senator STEVENS. To what extent do you rely on the oil and gas companies for tract evaluation?

Dr. MCKELVEY. Not at all. To evaluate tracts the Government uses both exclusive and nonexclusive geophysical data obtained from geophysical contract companies and well data submitted to the Government by lessors as required by regulation. It is true that the oil and gas companies have access to much of this same data, but the Government interpretation of these data and the Government tract evaluations based on these interpretations is completely independent of any evaluation effort by the oil and gas companies.

Senator STEVENS. Do you feel your appraisal and evaluation work is sufficiently independent of industry data to develop a market value that is fair to the Government and the public?

Dr. MCKELVEY. Yes; as I stated previously, much of the data is available to both industry and the Government, but the interpretation of these data and the tract evaluations based on these data are completely independent.

## OCS RESERVE INVENTORY

Senator STEVENS. What is this OCS reserve inventory? Why are you requesting an increase of \$1.3 million? We thought you already had a program of estimating reserves in the tract evaluation program.

Dr. McKELVEY. I need to differentiate, Mr. Chairman, between tract and area evaluation and reserve estimates. We have been doing tract evaluation for several years now. This represents an attempt in advance of the sale and in advance of exploratory drilling, which of course is the only way to determine whether in fact oil or gas is present at all, to estimate the value of the tract. It involves a resource estimate, but until drilling is actually undertaken the presence and amount, of course, of oil and gas are unknown.

We made one or two estimates of reserve on federally owned tracts in the OCS during the last few years, but we had not had the resources to undertake the program on a comprehensive and systematic basis. However, we recognize that for management purposes alone there would be a substantial value in knowledge of the reserves that exist on specific tracts.

As you know, Mr. Chairman, the interest in the amount of oil and gas that is producible on the OCS from the standpoint of public policy has increased markedly during recent years. So we have already begun in a modest way to make estimates of proved reserves based on drilling and production experience.

We suspect that this information will be of considerable value to the Federal Government and the general public in policy making in the future with respect to oil and gas on the Outer Continental Shelf.

## OCS APPRAISAL

Senator STEVENS. It is difficult to understand why your budget carries a \$1.3 million reduction in offshore oil and gas appraisal, an amount that was specifically added by Congress for 1976. With an expanding OCS development program, why are you trimming back on essential front-end work?

Dr. McKELVEY. The additional funding, in the amount of \$1,300,000, granted by Congress in fiscal year 1976, permitted the acquisition of data gathering and analysis systems that contributed to the cost effectiveness of the program operation. Given that necessary capability, we believe that the Survey can meet the requirements of the leasing process as presently planned and envisioned. We are quite cognizant, however, of the extraordinarily escalating costs on the OCS and plan to evaluate carefully our program needs as the leasing schedule develops. In particular, the costs of operating in ever deeper and frontier ocean areas contribute to additional spending needs.

## ONSHORE LEASING

Senator STEVENS. You have another large requested increase totaling \$7.2 million and 201 positions for energy and mineral leasing on Federal and Indian lands. Is this mainly to correct some of the problems brought out in the recent studies of onshore leasing and royalty procedures?

Dr. MCKELVEY. The increase in funding and staffing is related to improving the management practices recommended in the NASA Onshore Lease Management Study and increases in workload in the energy area which are regulated by the Geological Survey.

The increase for management improvement consists of 71 positions and \$2.6 million. This will provide the necessary staffing and funding to establish, clarify, and document the Conservation Division's total program objectives, policies, procedures, and standards which would result in a more systematic planning and control of programs; improvement in inspection procedures and techniques, enforcement procedures, and safety of operations; and, effective programming relating to training and career development.

Program workload increases account for the remaining 130 positions and \$4.6 million. The areas of these increases apply to regulation of oil and gas, mining—coal and uranium—and oil shale operations. In order to effectively continue exploration and development activities, it is necessary that we are able to respond timely to all applications submitted by permittees, lessees, and operators. This requires preparation of environmental analyses and inspection of ongoing operations to insure compliance with the applicable regulations.

Senator STEVENS. What are the main problems pointed out by the studies?

Dr. MCKELVEY. The main problems pointed out in the study were that of management improvements in the areas of outlining the objectives of the Conservation Division, setting forth the Department's policies as they relate to the objectives, establishing standards and procedures to attain the objectives, and improving our regulatory functions which would also include adequate training and career development for personnel.

Senator STEVENS. The portion of the onshore leasing increase devoted to oil and gas regulation amounts to 70 percent, but the workload increase in your justification seems to fall far short of the percentage. Why do you need such a large funding increase?

Dr. MCKELVEY. The oil and gas increase also includes the increase for management improvement. Of the total increases for the onshore lease management increase for oil and gas, 71 positions and \$2.9 million are for workload increase in operations which is 40 percent of the total funding of \$7.2 million, and 71 positions and \$2.6 million are for management improvement.

#### COAL LEASING

Senator STEVENS. The mineral leasing increase more than doubles that program. Do you think coal production will increase by that proportion?

Dr. MCKELVEY. Coal production from Federal and Indian lands during 1975 was 32 and 16 million tons respectively. Although we do not anticipate that coal production for fiscal year 1977 will double, we do anticipate significant increase from Federal lands. Five mining plans have recently been approved which could result in coal production during fiscal year 1977. In addition, there are 19 mining plans for which approval is pending due to litigation or completion of environmental impact statements. The preliminary work related to mining plan approvals is expected to double.

Senator STEVENS. Although the Secretary has announced a new coal policy for Federal lands, he also said it would be implemented in slow stages. How do you expect this to impact on your leasing program?

Dr. MCKELVEY. The Geological Survey and the Bureau of Land Management are now discussing implementation of the Secretary's decision. Each of our agencies will have input into various facets of the program. It is difficult to estimate the effect of this decision on the Geological Survey until an agreement is reached within the Department on the extent and timing of leasing.

#### WATER RESOURCES

Senator STEVENS. You are planning to redirect \$2 million to coal hydrology within the Federal-State water program. How will this affect ongoing programs, and what do the States think of this shift?

Dr. MCKELVEY. Within the Federal-State cooperative water-resources program, the redirection of \$2 million to coal hydrology will probably result in the reduction and/or deferral of some ongoing program elements. Insofar as possible, new project starts in coal hydrology will be funded with projects-completed moneys. Some ongoing projects will be modified to focus directly on coal hydrology. This means that those states having coal resources may be favored by an increase in their Federal cooperative allotment, at some sacrifice of cooperative program base in noncoal States. Our people are initiating discussions with cooperators to explore the possibilities of redirecting part of their cooperative program to achieve the coal-hydrology imperatives.

The reactions of the States are undetermined at this time, but the effects of this redirection will doubtless be accentuated by the lack of Federal funds to match state offerings by almost \$5 million in fiscal year 1977, and may cause the deferral of high-priority work in noncoal States.

#### MADISON FORMATION

Senator STEVENS. Last year we added \$2 million for studies of the Madison Limestone Aquifer. What have you been able to accomplish to date with this funding?

Dr. MCKELVEY. The \$2 million appropriation was enacted December 23, 1975. To date the approximate site for an initial deep test well has been selected; an advisory committee of State and Federal representatives has been convened to evaluate the proposed plan of study and help select future test well sites; drilling and well specifications are being prepared; and project staff is being assembled.

Senator STEVENS. You are continuing the Madison studies at the \$2 million level in this budget, is that correct?

Dr. MCKELVEY. Yes, Mr. Chairman, the funds to support the Madison Limestone Aquifer are included in the coal hydrology funds.

Senator STEVENS. How many years will it take you to complete this study, and at what total estimated cost?

Dr. MCKELVEY. The recently prepared plan of study indicates that it is a 5-year study and will cost a total of \$11.4 million.

Senator STEVENS. For the record, provide a yearly cost breakdown of the study.

[The information follows:]

FUNDING OF MADISON AQUIFER STUDY

[Dollars in Millions]

Fiscal year:	
1976 .....	\$2.3
1977 .....	2.0
1978 .....	3.3
1979 .....	2.9
1980 .....	0.9
Total .....	11.4

EARTHQUAKE PREDICTION

Senator STEVENS. I am disturbed about the \$700,000 reduction in earthquake prediction. I understand that the Chinese have developed their warning system to the point where not too long ago they were able to prove that it was effective by evacuating the total population of one village several hours before an earthquake occurred.

I come from earthquake country, as I am sure you know. I think we would be one of the areas that would be the primary beneficiaries of a prediction program that was workable.

Why did you reduce that by \$700,000 and what will be the effect on your program?

Dr. MCKELVEY. Mr. Chairman, shortly after you left, I informed the Committee of a recent action on behalf of the Administration that will be coming to you as a proposal in the very near future that affects this program.

Recently we found that in southern California, 40 miles or so north of Los Angeles, an uplift has been taking place astride the San Andreas fault over the past 15 years, amounting to an increase in elevation of nearly 1 foot in that period of time. Recognizing that much more needs to be known about the significance of that uplift in terms of what it may mean with respect to a future earthquake in that area, the Administration several days ago decided to make a total increase in the fiscal year 1977 earthquake program expenditures of \$2.6 million which would involve restoring the cut and adding additional funds for the study of this uplift in southern California.

The Geological Survey budget will be increased to a level of \$11.8 million, with \$1.3 million coming from reprogramming within the proposed budget; and \$1.3 million will be received from the National Science Foundation as passthrough for work in this area.

REPROGRAMMING REQUEST

Senator STEVENS. Are we going to get an additional budget request, or is this a reprogramming request?

Dr. MCKELVEY. You will get a request for reprogramming.

Senator STEVENS. For this fiscal year?

Dr. MCKELVEY. For fiscal 1977.

Senator STEVENS. You are going to reprogram 1976 funds into 1977?

Dr. MCKELVEY. No; we will request a reprogramming within the fiscal year 1977 budget. In the 1976 budget we are already redirecting

some funds from within the earthquake program itself to increase our activities in that particular area.

#### ALASKA PIPELINE SEISMIC STUDIES

Senator STEVENS. We have things like our Alaska pipeline that will go on line in 1977. One of the spectres raised in opposition to that was the potential for earthquakes. That could be a very substantial problem for us in the future, although we think it has been engineered to protect us against the risk involved.

But if China can predict an earthquake in time to evacuate a village, why can't we predict an earthquake so we can shut down the flow in the pipeline and institute some emergency procedures that would assure there would be no risk. Have you ever studied that?

Dr. MCKELVEY. Yes; we have, Mr. Chairman, and as you may know we have continuing seismic studies in progress in Alaska.

#### STUDY OF CHINESE SYSTEM

Senator STEVENS. You do not have the prediction capability yet; do you?

Dr. MCKELVEY. No, we do not.

Senator STEVENS. Have you studied the Chinese system, Dr. McKelvey?

Dr. MCKELVEY. We are in the process of doing that. We have had an exchange with the Chinese in this area, a team of theirs came here and a team of 15 or 20 of our experts visited them.

I believe that was in the fall of 1974. Their success in the prediction of the earthquake, as you mentioned, was achieved in February 1975. Since then we have been trying desperately to get back again to find out just what the basis was for the prediction.

I would say from what we know, Mr. Chairman, their work in this area is very interesting. They have manned an extremely large effort. They have about 10,000 people working on this problem of earthquake prediction and earthquake hazard reduction.

I believe they are about the only other country besides the United States that is actively working toward an operational prediction system. As far as we know, the Russians, for example, while they have been doing research on the matter from a scientific standpoint, they have not really attempted to convert a finding of their scientists into a warning to the population for the purpose of saving lives and reducing damage.

#### FUNDS TO STUDY CHINESE AND RUSSIAN SYSTEMS

Senator STEVENS. Have you got any funds to continue that study in this budget?

Dr. MCKELVEY. Did you mean funds to continue the exchange with the Russians?

Senator STEVENS. And the Chinese.

Dr. MCKELVEY. No; not directly.

Senator STEVENS. How much did you spend in 1974 for your exchange?

Dr. MCKELVEY. I do not have the figure for the Chinese study at hand, but I would imagine it would have been on the order of a few tens of thousands of dollars involving simply the travel.

With the Russians we have an agreement as part of the environmental studies agreement involving a larger effort which will probably need to be cut back in fiscal 1977. The effort with the Russians has involved an exchange of people on a full-time basis. We have had people in the field, in the USSR, for example.

As I recall that program has been funded at the level of about \$125,000 and will have to be cut back to the order of \$50,000. We want to keep it going but we cannot keep it going at the present level with the funding proposed.

#### ALASKA EARTHQUAKE PREDICTION

Senator STEVENS. I sympathize, and I am sure the committee does with the California problem. But I hope that we would not lose sight of the problems related to the resource development in my state. We have another pipeline coming now. We are developing Naval Petroleum Reserve No. 4. You are about ready to lease the most active area of the whole Gulf of Alaska. That was one of the substantial objections raised concerning development of the OCS in that area of the Gulf, the earthquake risk.

I think it is incumbent upon the Department to pursue a vigorous program of trying to utilize the best techniques available in the world to predict this type of risk for everybody, not just the populated areas of California, but the areas in my State where, if one of those earthquakes occurs and does substantial damage, it might set back the development of our oil and gas resources a good quarter of a century.

I would urge you, and I would like to request you to have someone look into it and find out what type of program, how much money might be required to reassess the earthquake potential in the developed areas of my State and to see if anything involved in the Chinese prediction system might be utilized to give us an advanced warning as far as earthquake risks in remote areas such as Alaska are concerned. It sounds like this was a fairly remote area of China.

#### IMPLEMENTING THE FEDERAL DISASTER RELIEF ACT

Dr. MCKELVEY. I can assure you, Mr. Chairman, that we in the Geological Survey are not losing sight of the importance of this, and I am happy to report that the Secretary himself is fully supportive of efforts to increase our capability in this area.

Also, while you were out I reported to the committee a recent event of considerable significance, as far as this topic is concerned; namely, the Federal Disaster Relief Act of 1974, which calls for the issuance of warnings of various kinds of natural disasters, including earthquakes. The responsibility for that lay in the Federal Disaster Assistance Administration in HUD.

A couple of months ago the Secretary of HUD redelegate that responsibility to the Secretary of the Interior, and the Secretary of the Interior, a couple of weeks ago, redelegate it to me, as Director of the Geological Survey. That means that I have a responsibility

to issue warnings of various kinds of natural disasters, although for the most part, I do not now have the capability to carry that out.

I am very pleased, however, to report that the first section of this act says that the President will support those agencies involved in the development of the capabilities required for earthquake and other kinds of warnings.

#### FUNDS FOR ACT

Senator STEVENS. Is that new act funded?

Dr. MCKELVEY. It carries no funds with it, and does not mention funds.

Senator STEVENS. Is there any request here for it?

Dr. MCKELVEY. There is no request in the budget responding to that, because, as far as Interior and the Geological Survey is concerned, that responsibility was received after the budget was prepared.

Senator STEVENS. We would like to have you submit to us an estimate of what it is going to cost to comply with that act for the next 3 years.

Dr. MCKELVEY. I will be happy to do that to the best of my ability.

[The information follows:]

#### COSTS OF COMPLYING WITH THE PROVISIONS OF THE DISASTER RELIEF ACT OF 1974

A statement will soon be submitted for publication in the "Federal Register" that describes the Geological Survey's current capabilities for warning of impending geologic catastrophes as required under the Disaster Relief Act. It is pointed out in the statement that capabilities are very limited, and the ability to issue reliable warnings will depend on progress in research on the physical processes involved.

An estimate of the cost to comply with the Act will require a comprehensive analysis of the many research and implementation activities that would be needed. Decisions must be made as to what degree of activity constitutes compliance. The cost could range from \$10 million to \$100 million.

Dr. MCKELVEY. I might say that there are many uncertainties—

Senator STEVENS. I am not saying a budget request. I am saying an estimate to comply with that act.

Dr. MCKELVEY. That is what I was speaking of also, Mr. Chairman. What I propose to do within the next several weeks, as soon as we can accomplish it from a technical standpoint, is to prepare for publication in the Federal Register a rather comprehensive statement that gives the status of our capability with respect to the development of predictions for all of the kinds of disasters involved, including earthquakes, volcanic eruptions, landslides and rapid glacial advances including the Columbia Glacier phenomenon that we are looking at now on this chart, and to say what we are able to do at the present time and then how we propose to respond to this new responsibility with respect to the communication with the States and local authorities.

The Geological Survey has no authority and, I guess, the Federal Disaster Assistance Administration and other government agencies have no authority to actually issue warnings to the general public in the sense of telling the public what to do, or to tell them the kinds of defensive actions that need to be undertaken to protect against harm from such a disaster.

We are going to have to work through State and local authorities. We are already setting up a proposed mechanism on which we will be seeking comments and that presumably will involve considerable followup with State and local authorities.

But at the moment, with respect to the total responsibility, we are sort of walking around the elephant trying to appraise the problem, apart from just development of the capability for making the predictions from a scientific standpoint, which we will be able to address in a planning mode without difficulty.

Senator STEVENS. Doctor, that may be right, but if that elephant puts his foot down again in my State and shakes the place up, and there is a prediction capability system available in the world and we did not know about it—

Dr. MCKELVEY. You are not going to like it.

Senator STEVENS. There will be hell to pay up there. I think we have to search for the most reliable and efficient techniques available.

Dr. MCKELVEY. I feel that very keenly.

Senator STEVENS. So do I. I saw the results of the last one. I was in the air, incidentally, and had just taken off. It happened at 5:30.

#### ALASKA MINERAL RESOURCE APPRAISALS—D-2 LANDS

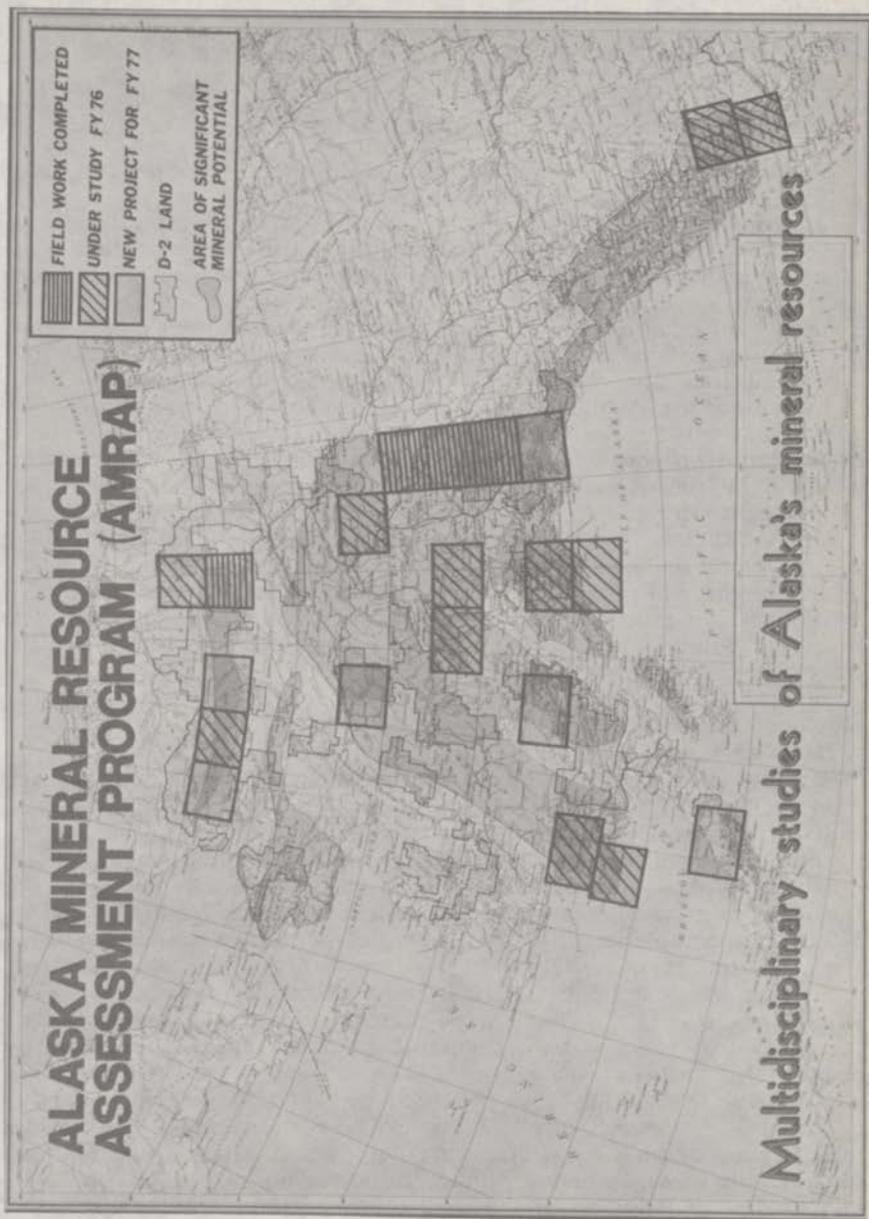
Last year at my request we added \$1 million to your budget for mineral assessments for the D-2 lands in Alaska; have you used those funds and can you tell us what they were expended for?

Dr. MCKELVEY. Yes. As a result of that we have been able to advance our mineral appraisal activity in Alaska. We have established the Alaskan mineral resource assessment program for this purpose.

We have completed and published one of the initial studies, a 3 degree quadrangle, involving 4.3 million acres. It represents an extremely fine piece of work.

We have a chart here, Mr. Chairman, that shows the magnitude of the problem and the status of our work in this particular area.

[The chart follows:]



The Alaska Mineral Resource Assessment Program (AMRAP) is an intensified focus on the mineral resource appraisal studies of areas proposed for classification as National Interest lands under Section D-2 of the Alaska Native Claims Settlement Act. These mineral assessments will provide more comprehensive information for the development of mining, city planning, and native uses.

#### ALASKA MINERAL APPRAISAL ACCOMPLISHMENTS

Senator STEVENS. What major accomplishments can be expected to result because of this appropriation?

Dr. MCKELVEY. First will be an administrative report assessment of all D-2 lands. The major accomplishment to be expected as a result of additional funding will be to increase the density of resource assessment coverage and to increase the acreages of D-2 lands covered. Information gained from these studies will also be useful in future decisions as D-2 lands are further subdivided and as the D-1 land uses are considered. Thus Alaska will be the first State to have complete systematic resource assessment of its land areas.

Senator STEVENS. Does the Survey still feel that the mineral potential of the lands proposed for inclusion in the four systems under section 17-D-2 of the Alaska Native Claims Settlement Act should be properly inventoried?

Dr. MCKELVEY. Yes, Mr. Chairman. Balanced and realistic land-use decisions on the classification of D-2 lands should take into account the mineral potential of these lands. Inventories should be made of known mineral occurrences, but in addition assessments of the resource potential should also be completed for areas for which mineral potential is not presently known.

Senator STEVENS. What programs are planned to disseminate the results of these assessments?

Dr. MCKELVEY. The initial results of mineral assessments of D-2 lands are scheduled to be reported in summary form in folios of maps and reports as administrative documents and open-file publications of the Geological Survey. AMRAP folios presenting the results of more detailed studies of areas will continue to be published as quadrangle-folios of basic data and resource analyses. The goal of the Alaskan mineral resource assessment is for coverage of the whole State after completion in 1978 of studies concentrated primarily on the D-2 lands.

Senator STEVENS. The Congress must decide by December 1978 what lands shall be withdrawn permanently in Alaska for inclusion in the four systems. Is your timetable for these mineral assessments consistent with this deadline?

Dr. MCKELVEY. The Geological Survey will complete a summary of mineral assessments of all D-2 lands by early calendar year 1978, but because of time constraints, the depths and detailed information obtained in these summary studies of areas peripheral to AMRAP quadrangles will not be of the same level as those obtained on the AMRAP projects. However, the information compiled will be as complete as possible and should be adequate for land-use decisions required by ANCSA.

#### BUDGET REQUEST FOR FISCAL YEAR 1977

Senator STEVENS. How much is in this bill before us, Doctor, for the Alaska mineral appraisal?

Dr. McKELVEY. Mr. Chairman, we are requesting \$4.4 million, a proposed increase of \$800,000.

#### ACREAGE INCLUDED UNDER FISCAL YEAR 1977 PROGRAM

Senator STEVENS. How many acres will be included in your program for 1977?

Dr. McKELVEY. We have a total of about 16 million acres that will have been mapped and 44.2 million acres under study in fiscal year 1977. We think that of the 83 million acres of D-2 lands, about 50 million acres may have significant mineral potential. We believe that we are going to be able to selectively focus on the areas of most promise in time for the congressional decision.

In addition we intend to appraise the entire 83 million acres in adequate fashion, but we will be able to cover about 35 percent of it, including what we now feel are the most significant areas, in greater detail.

Your remarks when you were addressing the Bureau of Mines on this subject I thought were very cogent, and appropriate. It is true that the areas actually contain valuable mineral deposits and mineral areas constitute only a small part of the total acreage involved. The question is to zero in on those, identify where they are and that makes the problem of reserving areas for other purposes much simpler.

#### COVERAGE OF AMRAP PROGRAM

Senator STEVENS. It looks like your AMRAP program, over half of it is not concerned with the D-2 land proposal.

I appreciate the studies that will be going on in the other areas, but there is no time frame on those other areas. I understand they are outlined areas. Some of those outlined as being D-2 lands are left out.

Dr. McKELVEY. The areas outlined within D-2 lands are shown in blue. For purposes of efficiency of operation, we are doing this on a quadrangle basis, which in some areas include areas not within the D-2 lands.

Senator STEVENS. Look at that one up there on the Yukon Flats. It is entirely outside of the D-2 lands. If you kept your quadrangle going right up the boundary line of Alaska you would hit the Porcupine area which I understand has great potential.

Why did you slip over so that you did not touch the D-2 lands?

Dr. McKELVEY. I am not able to respond to that specifically, Mr. Chairman. May I submit an explanation of that for the record?

[The information follows:]

#### ALASKA MINERAL RESOURCE ASSESSMENT PROGRAM

We have established the Alaskan Mineral Resource Assessment Program as the basic information unit for those terrains that possess the highest potential for resource discovery or have adequate exposures. From these reference points resource extrapolations will be made to less well-exposed areas, and areas in which present studies in other Alaska programs are being conducted. These new data, plus existing information on known resource occurrences, will form the basis for D-2 land resource assessments of 83 million acres, which the GS will complete in time for Congressional decisions.

The D-2 land appraisal will not only consider an inventory of presently identified mineral occurrences but also an assessment of potential for the occurrence of such

deposits. Therefore the study needs to be based upon sound keystone data points such as are being provided in the AMRAP 3° quadrangles program. This sound data base will also be available for future (post D-2) land use decisions.

#### D-2 LANDS

Senator STEVENS. I am so grateful to you for what you are doing, I do not want to be too critical, but I wish you would give priority to those D-2 lands. It will not do us any good to learn that Porcupine has good mineral potential after the door is locked.

Dr. MCKELVEY. As I said, Mr. Chairman, we intend to cover in time for Congressional decision the D-2 lands that we consider to have significant potential; however, the Alaskan mineral resource appraisal program is not limited to the D-2 lands. It is focusing on them and we are accelerating the work on D-2 lands for the purpose that you indicated.

I can assure you that it is our intention that a full appraisal as possible will be made, of these areas.

Senator STEVENS. I referred to the wrong area there. I thought that was the top of the State. That may not be the Porcupine area we are talking about, where your quadrangle comes over. It may be further south.

But I am interested in trying to see why you have not moved up into the D-2 areas and to reassess your priorities

For instance, that one down there in the Alaska Peninsula, I know of no pressure on that. I do know of substantial pressure on the withdrawals up there in the gateways to the Arctic area, and in the Naval Petroleum Reserve No. 4.

It looks to me like you are bracketing the Naval Petroleum Reserve No. 4, unless I am not reading that right.

Is that mineral country there, that has the three quadrangles south of the petroleum reserve? It is hard to tell from here.

Dr. MCKELVEY. Yes, it is, sir.

#### WORK ON PET 4

Senator STEVENS. Have you done anything in Petroleum Reserve No. 4?

Dr. MCKELVEY. In addition to oil and gas, I believe there has been some coal resource assessment.

Mr. COULTER. Primarily coal work, and a little bentonite work.

Senator STEVENS. Have you done a total assessment on it?

Mr. COULTER. Not as yet, Mr. Chairman.

#### JUNEAU MAP SALES

Senator STEVENS. Let's change the subject. In the past your Water Resources Division Subdistrict Office in Juneau has sold USGS maps. This service was recently terminated. Can you explain why?

Dr. MCKELVEY. The Juneau office was never intended to be a formal map sales office. It is a small water resources division subdistrict office and is primarily engaged in the regular water-resources investigational program in the Alaskan panhandle. The sale of maps from the Juneau office has been carried out as a convenience primarily for the benefit of the State offices in Juneau. The rapid growth of

our water program in Alaska as a result of the Alaskan oil pipeline and related environmental problems has resulted in a severe manpower shortage in our water programs. We can no longer afford to divert hydrologists and support personnel to the sale of maps in Juneau.

As you know, the demand for maps in Alaska has grown over the years, and we have a public inquiries office in Anchorage and a map distribution office in Fairbanks. Both of these offices sell maps over the counter and can supply maps by mail to other sections of the State. We are also negotiating with several private firms in Juneau for the right to sell maps over the counter.

Senator STEVENS. What was the sales volume from that office in the last year that the service was offered? Also what did that service cost in the last year it was offered?

Dr. MCKELVEY. The over-the-counter map sales averaged about 6,000 to 7,000 maps in fiscal year 1973 and fiscal year 1974, the last years for which we have records. The cost of operating the Juneau map sales office was \$10,570 a year during that period. These funds were made available from our Water Resources Division program.

Senator STEVENS. Does this budget contain any funds to provide for reopening the map sales office in Juneau?

Dr. MCKELVEY. No, Mr. Chairman, we did not include any funds in this budget for the Juneau map sales office. In the past this activity was supported entirely from our water resources investigations funds. As I said earlier, the pressure of regular work forced us to close the office.

#### ALASKA PIPELINE INVESTIGATIONS

Senator STEVENS. What is the appropriation in the current fiscal year 1976 budget for Alaska pipeline related investigations?

Dr. MCKELVEY. Including pay costs, our fiscal year 1976 level is \$319,000.

Senator STEVENS. How and for what purposes are these funds being expended?

Dr. MCKELVEY. These funds will be used to continue the geologic, hydrologic, and seismic investigations needed through the construction phase and into the initial operational and monitoring phase of the pipeline. These investigations will include studies required to make proper engineering decisions relative to design criteria, final design, and conformity to the technical and environmental stipulations.

Senator STEVENS. Your \$321,000 request for Alaska pipeline investigations holds to the same program level as 1976. How long will you continue this work, and at what estimated annual funding level?

Dr. MCKELVEY. The program will be phased out at the conclusion of pipeline construction which is presently projected to be 1978. Until that time we anticipate a continuing need for maintaining the present level of funding.

Senator STEVENS. Does the reduction in your earthquake program have any impact on the seismic work you are conducting as part of the Alaska pipeline investigations?

Dr. MCKELVEY. No, Mr. Chairman, the seismic studies for the pipeline are separately funded under the Alaska pipeline related investigations budget activity.

## TOPOGRAPHIC SURVEYS AND MAPPING

Senator STEVENS. The request for your topographic surveys and mapping activity totals \$47.4 million, up some \$2 million from 1976. Within the activity you are shifting \$2.2 million from quadrangle mapping to small scale and special mapping. Why?

Dr. MCKELVEY. Mr. Chairman, it is a matter of short term priorities. Even though there will be a resultant delay in the production of quadrangle maps resulting in a further backlog in meeting requests from Federal and State agencies for this important product, we believe that for the short term, production of intermediate-scale base maps is more important. These maps are required to meet immediate needs of the Bureau of Land Management for energy resource development as well as other activities related to the management of Federal lands. There is also a requirement by the Soil Conservation Service for the delineation and depiction of prime and unique farmlands and by several States to support regional planning. Over the longer term these intermediate-scale maps, since they are multipurpose in design, will be used by many Federal and State agencies for a variety of purposes related to planning and management of the Nation's resources as well as the protection of our environment.

BLM and SCS need these base maps now and other Federal and State agencies will need them later. Therefore, we believe it is important that this base mapping be prepared to a national standard and made available to many users. Otherwise the users would need to prepare their own special purpose base maps at an overall higher cost.

Senator STEVENS. What is the difference in features or scale for small scale mapping compared with standard maps?

Dr. MCKELVEY. Map scale expresses the size relationship between the features shown on the map and the same features on the earth's surface. In general, we consider small-scale mapping to begin at about 1:100,000 scale or 1 inch on the map represents about 1.6 miles. Some of the commonly used scales for small-scale maps are 1:250,000, 1:500,000 and 1:1,000,000. As the scale decreases, less and less detail can be shown on the map and the features that are shown are more generalized and approximate.

The scale of the standard maps, 1:24,000 can be expressed as 1 inch on the map represents, 2,000 feet on the ground or 1 inch equals about four-tenths of a mile. At this larger scale, there is enough space on the map to show detail such as individual houses and buildings; streets, roads and water-courses with all their angles, twists, and undulations; details of highway junctions, railroad tracks and airport installations; small dams, minor ponds, and waterworks; oil, gas, and water wells, mines, quarries, levees, embankments and excavations; and names of places, streets, and landmarks. All of these are shown in very accurate position on the 1:24,000-scale maps, whereas on small-scale maps, these features are either not shown or are shown incompletely or approximately. On the 1:24,000 maps, physical relief, represented by contours and elevations, is likewise depicted in more detail. On the small-scale maps, a larger contour interval is used and, therefore, a more generalized, less informative, relief pattern is depicted.

The need for small-scale products relates primarily to the need for showing a greater amount of the earth's surface on a single sheet of paper to be used for such activities as county or regional planning. This broad overview is obtained at a cost: the sacrifice of detailed information.

If I may, Mr. Chairman, I will insert for the record a table showing the principal map series and their essential characteristics.

[The information follows:]

#### TOPOGRAPHIC MAP SERIES

Series	Scale	One inch represents	Standard quadrangle size (Lat. & Long.)	Quadrangle area (Square miles)
7.5-minute	1:24,000	2,000 feet	7.5 x 7.5 min. <sup>a</sup>	49 to 71
15-minute	1:62,500	about 1 mile	15 x 15 min. <sup>b</sup>	197 to 282
Intermediate-scale quadrangle	1:100,000	over 1.5 mile	30 min. x 1"	1,145 to 2,167
U.S. 1:250,000	1:250,000	about 4 miles	1" x 2" <sup>c</sup>	4,580 to 8,669
International map of the World	1:1,000,000	about 16 miles	4" x 6" <sup>c</sup>	73,734 to 102,759

<sup>a</sup> For Alaska, the scale is 1:25,000 and for Puerto Rico, 1:20,000.

<sup>b</sup> For Alaska, the scale is 1:63,360 (1 inch represents 1 mile) and the quadrangle size 15 x 20 to 36 minutes.

<sup>c</sup> Maps of Alaska and Hawaii vary from these standards.

#### MAPPING PRIORITIES

Senator STEVENS. Why the priority for small scale and special mapping? Is any of it tied to energy?

Dr. MCKELVEY. Yes; the increase requested is for the preparation of intermediate-scale base maps to fulfill both energy and agriculture related needs. Specifically, BLM has an immediate requirement for intermediate-scale maps to aid in the planning and management of upland and offshore oil, gas and minerals as well as other activities related to the management of Federal lands. The Soil Conservation Service has a need for similar products for prime and unique farmland depiction. State and other Federal agency needs are also satisfied by this scale map which is used for a variety of purposes related to planning and management of land resources. As mentioned earlier we believe that it is important to provide multipurpose products which can be used by many.

Senator STEVENS. Your justification states the cut in quadrangle mapping will reduce new standard 1:24,000 mapping starts. How much of a reduction is this?

Dr. MCKELVEY. The shift of funds from quadrangle mapping will reduce the new standard 1:24,000-scale mapping starts by approximately 300 maps, from the fiscal year 1976 base of about 1,700 maps.

Actual output in fiscal year 1977 is expected to reduce by about 175 maps. This is equivalent to about 10,000 square miles of output.

Senator STEVENS. How will the cut in standard mapping affect your projection of last year that coverage of the lower 48 would be completed by 1983?

Dr. MCKELVEY. We had revised our estimated date of coverage to be 1984 before the redirection of the \$2.2 million. This cut in standard mapping of the 1:24,000-scale program will mean an additional delay of complete coverage of the conterminous U.S. from

1 to 2 years, thereby extending the expected completion date to 1985 or 1986.

#### NATIONAL CARTOGRAPHIC INFORMATION CENTER

Senator STEVENS. An additional \$1.2 million is requested for the National Cartographic Information Center. What kind of new data are you putting into the center?

Dr. MCKELVEY. Our primary emphasis in fiscal year 1977 will be on acquiring information on aerial photography holdings of Federal and State agencies and their plans for collecting new photography. Considerable emphasis will also be placed on adding information on other cartographic data such as Federal, State and private maps and charts, geodetic control and map data in computer readable form. Much of the increase is to be used for the design and implementation of improved indexing and information systems to facilitate our response to the significantly increased volume of inquiries pertaining to the availability of existing maps, charts, and aerial photography. Also, we plan to make extensive use of contract support to immediately enhance our capability to handle user requests.

Senator STEVENS. Along with the fund increase you are budgeting a reduction in personnel. Why?

Dr. MCKELVEY. The decision to reduce the number of personnel was based on an overall assessment of priorities in using our limited personnel slots. We believe it is possible to achieve most of the NCIC objectives by the extensive use of contractor support. The initial tasks of designing information systems and coding and microfilming data can be accomplished through a combination of contracts and contributions of cooperating agencies. Most of the in-house personnel will be assigned to the continuing NCIC tasks such as answering customer inquiries, negotiating with Federal and State agencies, and monitoring contracts. The Government personnel will be supplemented by contract support whenever possible in order to meet peak loads.

We hope also that the use of more effective information systems and procedures will increase our efficiency in answering inquiries to enable us to handle an increased volume without a significant need for additional personnel.

Senator STEVENS. What is your target date for a fully operational NCIC, and at what total estimated cost?

Dr. MCKELVEY. We expect to have a fully operational system for providing a central source of information for Federal and State data by fiscal year 1980 or 1981. Most of the systems design work and implementation will be complete by fiscal year 1979 and we expect to complete the acquisition of the backlog of information by 1981. The total projected cost for fiscal year 1975 through fiscal year 1981 of completing the systems development, acquiring information on the backlog of existing data, and establishing more efficient user service procedures is approximately \$6 million. This does not include the cost of maintaining on-going inquiry answering services and the continuing acquisition of information on newly acquired data. Also, any expansion in the scope of NCIC, such as an expanded network of user service facilities, to include State agencies, would require additional funds.

Senator STEVENS. What is the estimated annual operating cost once the center is fully in place?

Dr. MCKELVEY. Once NCIC is operational, we estimate its annual operating cost will be approximately \$3.5 million to accommodate the expected increased volume of inquiries.

Senator STEVENS. I assume users of NCIC are charged for services. What is the annual return to the Government, present and projected?

Dr. MCKELVEY. A majority of inquiries to NCIC have to do with questions pertaining to the availability of maps and photographs for which there is no charge. Many of these inquiries result in orders for reproduction of aerial photos, maps, digital tapes and geodetic control. These orders are filled by NCIC and other elements of the Geological Survey. We estimate a return of approximately \$1.3 million in fiscal year 1976. Receipts should reach about \$3 million by 1981. Inquiries are also referred to other agencies such as the Departments of Agriculture or Commerce. We have no figures on what portion of the receipts of these organizations were the result of NCIC referrals.

#### GEOLOGIC AND MINERAL RESOURCE SURVEYS AND MAPPING

Senator STEVENS. Going to your geologic and mineral resource activity, the request is for \$86 million. That's down \$6.8 million from 1976. We have already discussed the geothermal, but tell us what specific geothermal activity would be terminated by the cutback.

Dr. MCKELVEY. The most serious consequence of this cutback will be to delay by at least 2 years the preparation of an up-to-date assessment of the geothermal resources of the Nation—an assessment that is vital to ERDA and to private industry as they plan various geothermal test and production facilities. The reduction forces the virtual termination of the Survey's geothermal grants and contracts program, and it will limit in-house operations to geothermal assessment of only a few selected areas in the western and gulf States. Assessment work in Alaska will be terminated; refinements and modification will be made to only a few new and existing tools for locating and evaluating geothermal resources; studies related to the determination of subsurface temperatures and configurations of geothermal systems will be restricted to one or two selected areas; and studies of the environmental impact of geothermal development will be restricted almost entirely to the Imperial Valley and The Geysers, Calif.

#### OCS APPRAISAL

Senator STEVENS. Under the OCS appraisal reduction, will adequate resource assessments and geologic hazard evaluations be made of all OCS lands to be offered for lease in fiscal years 1976 and 1977?

Dr. MCKELVEY. The recommended budget reduction of \$1.3 million will affect data collection and analyses in several frontier area sales in the Atlantic and Pacific-Arctic Oceans. From our present perspective, we anticipate being able to develop adequate resource assessments and geologic hazards evaluations in those lease areas, but we are cognizant of the frontier research nature of our assignment in remote operating areas and accept the chance that unforeseen problems may limit the adequacy of our work.

## ENERGY ENVIRONMENTAL STUDIES

Senator STEVENS. You are asking for a \$1.2 million increase for energy environmental studies, an item that Congress trimmed by \$1.6 million last year. What is the need for the increase?

Dr. MCKELVEY. Geologic studies intended to improve the safety and efficiency of development of new energy resources have continued, although at a lower level and slower rate than would have been possible if the \$1.6 million increase in fiscal year 1976 had been allowed.

The requested increase of \$1.2 million in fiscal year 1977 would allow us to step up studies of recent crustal movements which pose hazards to nuclear reactors, especially in the East, where evidence for geologically young faulting has recently been discovered; extend base line studies of environmental effects of surface mining of coal now underway in the Powder River Basin to include parts of central North Dakota where development is also imminent; and to expand studies of problems of and hazards to spoil banks and strip mines now underway in Pennsylvania into West Virginia and eastern Kentucky.

We feel that lack of knowledge of geologic problems and hazards is a major constraint on accelerating safe development of nuclear reactors and increasing surface coal mining and that delays and dangers can be substantially reduced by the geologic studies that could be carried out under an expanded program.

## REGIONAL MAPPING

Senator STEVENS. Tell us about the \$2.6 million cut in regional mapping and analysis. What will this do to your program and will States and other Federal agencies be able to fill the gap?

Dr. MCKELVEY. As you know the regional mapping and analysis program supports regional geologic, geophysical, and geochemical surveys, basic research in methods correlating strata and determining the absolute ages of geologic units, and fundamental studies of earth processes, especially those related to the new concepts of plate tectonics. These surveys and related basic research studies add to the pool of basic knowledge of the geologic framework of the country that allows us to respond quickly and effectively to short term crises. Because of the reduction in funding it will be necessary for us to delay some of the basic long term studies and reprogram our efforts to meet more immediate short term needs. The effect of this reprogramming will not be apparent this year or next year, but if the trend continues, our ability to respond to future crises will inevitably be impaired.

Some specific examples of activities that will have to be delayed or deferred are: initiation of systematic program of basic geologic and geophysical mapping in the mid-continent region; expansion of the program of geologic basic mapping and aeromagnetic surveys in the southeastern states; completion of the program of 1:250,000 geologic mapping in Alaska; continuation of regional geochemical surveys designed to collect information on the natural trace element contents of rocks, soils and vegetation in order to provide a baseline against which to measure pollution; and development of methods for

more precisely dating and correlating relatively young geologic materials that could help establish recurrence intervals of geologic events such as earthquakes, landslides, and volcanic eruptions.

Although many Federal agencies depend on the results of the studies conducted by the Geological Survey, none shares the responsibility for conducting basic earth science research and therefore, none can be expected to fill the gap caused by reduction of the regional mapping and analysis program. Some states have large and highly competent geological surveys, some of which may help fill the need, but many do not. Even in those that do, programs are naturally designed to meet their own state needs rather than long term national needs.

#### GEOLOGIC MAPPING PRIORITIES

Senator STEVENS. How are you adjusting your geologic mapping priorities?

Dr. MCKELVEY. In several ways. First, by concentrating more of our program on 1:250,000 scale geologic mapping. This mapping is less detailed, but we feel it provides a rapid summary of geologic knowledge of broad areas at much reduced cost. Second, by carefully balancing priorities in the selection of areas for mapping and in monitoring progress of mapping. Third, by attempting to devise ways of making more extensive use of carefully monitored grants and contracts to universities to assist in the mapping program.

Senator STEVENS. Would input from the EROS program help cut the cost of geologic mapping?

Dr. MCKELVEY. The use of remote sensing data and techniques such as those developed by the EROS program can provide valuable clues to the geologist mapping in the field. For many years the use of aerial photographs and airborne magnetic surveys have been routine tools in geologic mapping. More recently satellite imagery has provided another valuable tool. All of these tools help reduce the cost and enhance the quality of the geologic maps, but none can substitute completely for careful close up examination of geologic features in the field. We are constantly exploring new and better ways to apply remote sensing techniques to geologic mapping, and some significant advances have been made by the EROS program especially in arid regions. But geologic mapping in most areas must still depend heavily on systematic field studies. The cost of these studies can be reduced, partly by the use of new techniques, such as EROS, but also by more efficient organization and better support of parties in the field.

#### COAL RESOURCE INVESTIGATIONS

Senator STEVENS. You have a \$400,000 increase requested for coal resource investigations. In light of the Secretary's recent coal policy announcement and your own figures on the relatively small amount of commercially mineable coal, do you think this is adequate?

Dr. MCKELVEY. Because coal studies are not commonly technology intensive, and because our program can be closely associated with interests of the State geological surveys and thereby utilize existing cost-effective facilities, the requested \$400,000 increase represented a significant addition. At the time the budget request was made,

however, we assumed that the fiscal year 1975 level of \$3,096,000, including \$1.5 million passed through from the Bureau of Mines, would be the fiscal year 1976 base on which we should build. With that assumption in mind the Bureau of Mines requested a decrease in their budget of \$1.5 million and Survey requested an increase of the same amount. The Bureau of Mines decrease was approved, but the Survey's requested increase was cut approximately in half, resulting in an unplanned \$685,000 program decrease in fiscal year 1976 to a level of \$2,411,000. The \$400,000 requested increase for fiscal year 1977, therefore, becomes an add-on to the \$2,411,000 instead of the \$3,096,000 as planned.

#### MINERAL DISCOVERY LOANS

Senator STEVENS. You continue to budget a minimal amount for the minerals discovery loan program, only enough to administer existing loans. With no new loans, why can't you start cutting costs?

Dr. MCKELVEY. The minimal budget for MDLP is required to meet prescribed responsibilities to monitor existing contracts and to verify and collect royalties from production derived from past DMEA and MDLP loans. The program staff has already been reduced to part-time level in field centers, necessary to make periodic field inspections, and skeletal full-time administrative staff at headquarters, necessary to coordinate the reduced program, and to collect and report on royalty payments.

Senator STEVENS. Is the Department considering any legislative recommendations to revive this program? Isn't there a need to implement an effective loan program?

Dr. MCKELVEY. The Department is considering legislative recommendations to revive MDLP and make the program as effective as its predecessor, the DMEA program. We believe that the DMEA and MDLP programs have encouraged domestic mineral exploration and development, but whether this is the most efficient and economic way to stimulate the development of future domestic mineral supplies is also being considered by the Department.

#### WATER RESOURCES

Senator STEVENS. Your water resources investigations activity request is for \$57.3 million, down nearly \$1 million.

As we discussed earlier, you are continuing the \$2 million funding level for the Madison limestone formation studies, but this year you are taking that \$2 million out of the Federal portion of the national water data system. Tell us what impact this will have on the data system.

Dr. MCKELVEY. Reprogramming \$2 million out of the Federal portion of the national water data system for the Madison Limestone Aquifer studies will be accomplished by reducing activities in five program elements. If I may, Mr. Chairman, I would like to submit the information for the record.

[The information follows:]

#### IMPACT OF REDUCTIONS IN THE NATIONAL WATER DATA SYSTEMS

Office of Water Data Coordination, -\$100,000.

Defer printing and distribution of Water Data Catalog of Information.

Reduce field coordination and meetings of Advisory Group.

Data Collection and Analysis, -\$750,000.

Discontinue stations or reduce activity at stations in Basic Network, Benchmark Network, Lower Colorado River, NASQAN, Pesticide Monitoring, Radiochemical Surveillance, and MRB Program.

Reduce analytical laboratory, and computer-system support, and data-transmission development.

Discontinue development of aerial measurement techniques. Regional Resource Appraisals, -\$400,000.

Defer starts on 2 regional ground water appraisals, defer further work on the regional hydrogeologic investigation of the Atlantic Coastal Plain, and terminate several environmental and water-quality projects.

Core Program of Hydrologic Research, -\$400,000.

Reduce vegetation hydrology studies, reduce Evaporation Research, and reduce Geochemistry, Water Chemistry, and Sediment Research. Thereby delaying information leading to a better understanding of the role of water in the environment; accurate estimates of water supply in dry areas; and our ability to predict water quality, erosion, sediment transport, and sediment deposition.

Hydrologic Investigations on Public Lands, -\$350,000.

Terminate studies of erosion control, hydrology by rainfall simulation, indices for estimating evaporation, water supply on public domain, hydrologic classification of arid watersheds, and hydrologic effect of off-road vehicular use.

#### OIL SHALE HYDROLOGY

Senator STEVENS. I note you are proposing a modest \$300,000 increase for oil shale hydrology. In view of the pressures for developing oil shale and the critical importance of water resources, do you think this is adequate?

Dr. MCKELVEY. Yes, Mr. Chairman, at this point in time with the rate of commercial development still uncertain, we feel that our program is adequately funded.

Senator STEVENS. What other funding is there among other Federal agencies for oil shale hydrology?

Dr. MCKELVEY. EPA and BLM are funding hydrologic projects in the oil shale region, through transfer of funds to USGS for this purpose. For fiscal year 1976 and 1977 the EPA funds total \$75,000 and BLM about \$300,000 a year. The Bureau of Mines also is funding oil shale water management projects in fiscal year 1976.

#### URBAN STUDIES

Senator STEVENS. I note in your program of regional and subregional water resources appraisals you mention a Fairfax County urban area study. What is this costing and how much local funding is available for it?

Dr. MCKELVEY. The Fairfax County urban area study is being carried out jointly by the Geologic and Water Resources Divisions under the direction of the Office of Land Information and Analysis. The total funding for this project in fiscal year 1976 is about \$230,000; the budget for fiscal year 1977 is expected to be about \$270,000, and about \$200,000 in fiscal year 1978, when the project is to be completed. No local funding is being provided, but the Fairfax County Office of Comprehensive Planning is deeply interested in the study and has furnished various kinds of maps and other support. This research project is aimed toward the development of geologic, hydrologic and geotechnical data in a suitable form for support of land-use decisionmaking. This type of multidisciplinary study is designed to furnish techniques and methodology for the application

of earth sciences to national needs. It is expected that the results of the Fairfax County study will have considerable transferability and value to persons with planning and decisionmaking responsibilities in urban, and urbanizing areas throughout the country.

Senator STEVENS. Why should the Survey take the responsibility of purely local water resources studies?

Dr. MCKELVEY. The Survey should not take the responsibility of purely local water resources studies, and the Fairfax County project is not such a study.

#### CONSERVATION OF LANDS AND MINERALS

Senator STEVENS. For your conservation activity the request totals \$63 million, up some \$18.5 million over the fiscal year 1976 programs. We already discussed your OCS program which is getting the major increases including 308 new positions. How are these positions to be allocated?

Dr. MCKELVEY. The program element for regulation of OCS oil and gas operations will receive 92 of these positions. The remaining 216 positions will be allotted to OCS oil and gas tract selection and evaluation, of which 54 positions will be allocated initially to the inventorying of the oil and gas reserves of OCS finds.

Senator STEVENS. Isn't it likely, in view of all the technical and political problems with OCS leasing, that the schedule could very easily slip more? Wouldn't that reduce your own funding needs for regulatory and tract evaluation work?

Dr. MCKELVEY. It is likely that slippage will occur in the OCS lease sale schedule during fiscal year 1977. As you point out, leasing does entail a complex of political and technical problems. Slippage does not reduce our need for funding either for regulatory or evaluation work. Regulatory work is based upon the actual exploratory, development, and production activity in the OCS. Activity on very new leases is a relatively small part of the workload. Evaluation work and environmental work must be done for all proposed lease sales, whether a sale slips or is even cancelled. Unless the work is done in advance of the proposed sale date, it is impossible to hold a sale, even if environmental, technical, and political factors were all basically favorable.

It is entirely possible that the environmental impact statement and all evaluation work would be completed prior to an injunction ruling by the courts. A situation of this type almost developed in the case of the southern California sale. The proposed lease sale schedule should be viewed as a schedule of work rather than reflecting an actual decision to lease. That cannot be done until a thorough examination of each area is completed.

Senator STEVENS. Please detail the current leasing schedule by sales and acreage for 1976 and 1977. You may submit that for the record.

Dr. MCKELVEY. I will be glad to do that Mr. Chairman.

[The information follows:]

## OCS SCHEDULE

Sale	Date	Acres offered (In millions)
Fiscal year 1976:		
Central Gulf S-1	July 1975	1.4
Southern California No. 35	December 1975	1.3
Gulf of Mexico 41	February 1976	.7
Gulf of Alaska 39	April 1976	1.1
Total		4.5
Transition Mid-Atlantic 40	July 1976	1.9
Fiscal year 1977: <sup>1</sup>		
North Atlantic 42	August 1976	<sup>2</sup> 1.5
Cook Inlet C-1	October 1976	<sup>2</sup> 1.5
Gulf of Mexico 44	October 1976	<sup>2</sup> 1.5
South Atlantic 43	November 1976	<sup>2</sup> 1.5
Gulf of Alaska	December 1976	<sup>2</sup> 1.5
Bering Sea 45	March 1977	<sup>2</sup> 1.5
Gulf of Mexico 47	April 1977	<sup>2</sup> 1.5
Southern California 48	June 1977	<sup>2</sup> 1.5
Mid-Atlantic 49	August 1977	<sup>2</sup> 1.5
Total		13.5

<sup>1</sup> Estimate.

<sup>2</sup> Average sale size sale expected to be 1.5 million acres.

Senator STEVENS. How many new OCS inspectors are you budgeting, and what will be the total number available?

Dr. MCKELVEY. Currently, there are a total of 63 positions designated for inspectors on the OCS. Of these, 51 are in the Gulf of Mexico, 8 are in the Pacific area, and 2 each for Alaska and the Atlantic areas. The tentative distribution of fiscal year 1977 positions include 24 inspector positions, 6 for the Gulf of Mexico, 3 for the Pacific area, 6 for the Alaska area, and 9 for the Atlantic area. The total number of inspectors would be 87.

Senator STEVENS. In your cost factors for the OCS regulatory increase you list \$552,000 in expenses related to new personnel. What is the breakdown of those related expenses?

Dr. MCKELVEY. A factor of \$6,000 per employee is being used to project all costs not included in salaries and benefits, GSA space and other contractual services, which are separate in the cost factors. This is an average factor developed for budgeting purposes and covers all the services and costs on an average per employee basis. These services include such items as: travel costs; transportation of household goods and rentals of trucks; communications including postage, local and long distance telephone services, ADP rentals; utility costs and costs related to printing and reproduction; and supplies, materials, and office equipment.

## OIL SHALE LEASING

Senator STEVENS. You are requesting an increase of \$202,000 for oil shale lease regulation to review the industry development plans on the four prototype leases. Where are these leases located, and how soon do you expect to receive these plans for review?

Dr. MCKELVEY. Two of these leases are located in northwestern Colorado in the Piceance Basin in Rio Blanco County. The develop-

ment plan for one lease was received on February 9, 1976; the plan for the other should be received by March 31, 1976. The two other leases are located in northeast Utah in the Uinta Basin in Uintah County. Plans for these are expected to be received around May 17, 1976.

Senator STEVENS. How long do you estimate it will take to review and approve these plans?

Dr. McKELVEY. The actual formal review process will take a minimum of 6 months for each of the submitted plans. Although there are four prototype leases, only three plans are to be submitted; one each for the leases in the Piceance Basin and one combined plan for leases in the Uinta Basin. Following approval of the development plan, the lease terms require at least one additional detailed review of the second year environmental baseline data collection plan. Following this review, revision, and approval, the work commences on a continuing environmental monitoring plan.

#### LAND INFORMATION AND ANALYSIS

Senator STEVENS. Your request for land information and analysis is \$16.8 million, down about \$1.2 million. In the fiscal year 1976 budget, you indicated that several programs within the Survey were being merged into the land information and analysis activity. Would you place in the record how successful you have been with the merger and what improvements have resulted?

Dr. McKELVEY. Mr. Chairman, I would like to supply a detailed answer for the record.

[The information follows:]

#### LAND INFORMATION AND ANALYSIS

The Land Information and Analysis Office was formally established in April 1975. Multidisciplinary land-use and land-resources activities formally being carried out in the operating Divisions of the Geological Survey and/or reporting to the Director's Office were incorporated into the new Land Information and Analysis Office. Those activities include the following programs: Earth Sciences Applications, Resource and Land Investigations, Geography, Environmental Impact Analysis, and Earth Resources Observation Systems.

The merger has been highly successful from several points of view. The Land Information and Analysis Office is now the focal point for providing earth-science information to a wide range of land-use and land-resource planners and decisionmakers at all levels of government. In addition, each of the five programs is providing support to the operating Divisions of the Geological Survey especially with regard to multidisciplinary studies related to land use, land resource, and environmental planning. For example, the Geography Program is supporting the Water Resources Division's Intensive River Quality Assessment of the Chattahoochee River Basin by providing current land use maps and by providing geographic expertise in interpreting the relation between land use, land-use change, and non-point sources of pollution. The Earth Sciences Applications Program is coordinating and otherwise supporting multidisciplinary (multidivision) studies involving all the core disciplines of the Geological Survey with respect to the solution of the critical national problems in selected areas throughout the United States. Those areas were selected because of unique hydrogeologic environment, specific critical environmental problems, and the opportunity to develop methods for the solution of these problems which would have wide national transfer value.

Another example of the effectiveness of the Land Information and Analysis Office is the major contribution being made by the Environmental Impact Analysis Program in meeting the Survey's responsibility under the National Environmental Policy Act of 1969. The Environmental Impact Analysis Program has consolidated much of the expertise of the operating units of the Geological Survey and has brought that expertise to bear in the preparation of environmental impact statements (most of which concern the development of energy and minerals of critical national concern) and in the review

of more than 2,000 environmental impact statements per year. Prior to the establishment of the Land Information and Analysis Office, most of the NEPA-related activities of the Geological Survey were being handled on an ad hoc basis, and the establishment of LIA has resulted in a structured and much more effective approach to meeting the Survey's NEPA-related responsibilities.

Inclusion of the EROS Program in the Land Information and Analysis Office has also resulted in significant increases in the effectiveness of that program, especially with regard to inclusion of EROS related techniques and methodologies in other activities of the Geological Survey. For example, remote sensing technology developed by the EROS Program is now being used in the preparation of environmental impact statements, specifically in the preparation of an environmental impact statement concerning the development of phosphate in southeastern Idaho. Moreover, the EROS Program is now working cooperatively with the Geography Program of the Land Information and Analysis Office and with State and local agencies in a highly significant regional assessment of the natural resources of the Pacific Northwest Region.

Another significant example of improvements in the multidisciplinary land-resource related activities of the Geological Survey associated with the establishment of the Land Information and Analysis Office is reflected in a study being conducted by the Land Information and Analysis Office for the Department of Transportation. This study is designed to provide critical hydrogeologic data needed to assess the technical and economical feasibility of tunneling for mass transportation in selected portions of the United States. The study was designed by the Land Information and Analysis Office with inputs from the other operating Divisions of the Geological Survey, and the study is being managed and coordinated by the Land Information and Analysis Office. Efficiencies in the design of this multidisciplinary study and in the execution of the study are largely related to the fact that the Land Information and Analysis Office was given the mandate to spearhead the study.

A further example of the improvements of the activities of the Geological Survey related to the establishment of the Land Information and Analysis Office is reflected in several of the multidisciplinary studies being conducted by the Resource and Land Investigations Program of the Land Information and Analysis Office. The Land Information and Analysis Office is providing the multidisciplinary earth science inputs and overview to RALI sponsored Department of the Interior studies related to the assessment of the onshore impacts of development of the Outer Continental Shelf and to other critical studies such as those related to the assessment of environmental impact. As a result of the overview and management functions of the Land Information and Analysis Office, the RALI methodological study of the environmental impact assessment is now being employed on a test and demonstration basis by the Environmental Impact Analysis Program in the preparation of an environmental impact statement concerning the development of coal in the Powder River Basin.

Other improvements related to the establishment of the Land Information and Analysis Office are associated with more efficient and effective management of the five programs of the Office. A central administrative unit has been established to streamline administrative management of the five programs. Additionally, a central support unit has been established to coordinate and standardize all aspects of the preparation of publications of the Office. Finally, the Land Information and Analysis Office has established a formal management information system which includes standardized and unified procedures for program design and monitoring of all activities within the Land Information and Analysis Office. These management procedures have provided efficiencies resulting in the development of more effective programs and in eliminating unnecessary and undesirable duplication of effort.

#### EROS PROGRAM

Senator STEVENS. There is a \$2 million decrease being proposed for the EROS program. These funds were added by the Congress in the fiscal year 1976 budget for the digital LANDSAT data processing system. What is the current status of this system and when will it be fully operational?

Dr. MCKELVEY. Conceptual design of the system is now being completed. A request for proposal is expected to be released by late March 1976, and a contract awarded in mid-summer 1976. The system is expected to be fully operational by early 1978.

Senator STEVENS. What are the annual operating costs for this system and are those funds reflected in this budget request?

Dr. McKELVEY. Annual operating costs for this system are expected to be about \$1 million. These funds are not reflected in the fiscal year 1977 budget request as the system will not be operational until early fiscal year 1978.

Senator STEVENS. Dr. McKelvey, please place in the record the major achievements of the EROS program.

Dr. McKELVEY. I will be glad to Mr. Chairman.

[The information follows:]

#### ACHIEVEMENTS OF THE EROS PROGRAM

Data production and dissemination—EROS Data Center (EDC) archives include over 600,000 items of LANDSAT imagery, 34,000 items of Skylab imagery and 5,400,000 items of aircraft imagery. Income from the sale of LANDSAT data, including computer compatible tapes, has grown from \$230,000 in FY 1973 to \$565,000 in FY 1974, \$930,000 in FY 1975, and a projected \$1,720,000 in FY 1976. Income from the sale of aircraft data has grown from \$145,000 in FY 1973 to \$237,000 in FY 1974, \$567,000 in FY 1975, and a projected \$920,000 in FY 1976.

EROS Data Center technical training and assistance programs—These training programs are up to 1 week in length and stress the use of data in a particular application, for example, agricultural and forest inventory, wildlife and water management, and mineral exploration. During 1974 and 1975 workshops of 3- to 4-day duration were conducted at EDC for personnel from the Bureau of Mines, Fish and Wildlife Service, Bureau of Land Management, and the Bureau of Reclamation of the Department of the Interior. Additional workshops have been conducted for the South Dakota State Planners; the North Dakota Water Commission; the Animal Plant Health Inspection Service, Forest Service, Soil Conservation Service, and Statistical Reporting Service of the Department of Agriculture; and the Pacific Northwest Regional Commission. Scientists from the EROS Data Center are assisting Federal, State and local government agencies in determining the utility of remote-sensing data for a number of applications including: land use analysis of South Dakota, land cover mapping of the Pacific Northwest (Washington, Oregon, and Idaho), forest defoliation mapping and damage assessment, and sampling strategy design for agricultural inventory. Twice a year a 3- to 4-week course is offered at the EROS Data Center to foreign nationals, stressing the fundamentals of remote sensing with emphasis on specific applications. To date there have been approximately 140 attendees from 49 countries. Twelve African countries, 19 Asian countries, eight European countries, seven South American countries, and two North American countries, and Australia have been represented. Five courses have been conducted since 1973. Training in foreign countries consisting of lectures, workshops, and seminars have been conducted by EROS Program personnel at no travel cost to the Department. This is indicative of the international need and interest in remote-sensing training. Countries visited during FY 1975 and FY 1976 included Australia, Algeria, Thailand, Costa Rica, Venezuela, Mali, Mexico, Ghana, Somalia, and Yugoslavia. Sources of funding have been the Governments of Australia, Algeria, and Mexico, and Economic and Social Commission for Asia and the Pacific of the United Nations (ESCA), U.S. Information Agency (USIA), and U.S. Agency for International Development (USAID).

Application demonstration—EROS projects in cooperation with other Interior bureaus and with state agencies:

Collaboration of 40 Interior scientists with the EROS Program staff in the preparation of a USGS Professional Paper describing significant results of LANDSAT experiments. Includes 80 case studies with 130 color and black/white illustrations. Publication: Spring 1976.

LANDSAT imagery used in quasi-operational mode during 1975 to map floods of Lower Mississippi and Red River of the North. Techniques were developed through research on floods of Mississippi, Connecticut, and Indus Rivers during 1973 and 1974. Data were used by the State of Louisiana to document the need for allocation of Federal disaster relief funds.

Use of digital LANDSAT image data to map strip mines and monitor their growth. Research on Duncan Flats quadrangle, eastern Tennessee, has resulted in precise orthographic positioning of each pixel, assuring accurate correlation with conventional base maps, and providing graphic display of strip mine growth on four dates between Spring 1973 and Summer 1975.

Use of LANDSAT Data Collection System (DCS) to transmit data from ground sensors, such as seismic event counters, water stage and quality sensors, and rain

gages, to central processing facilities where data are available in near real-time to resource managers. Bureau of Reclamation is using DCS in pilot project near Miles City, Montana, to evaluate effectiveness of cloud seeding (Project Skywater).

Use of LANDSAT data in collaboration with Bureau of Land Management has shown that approximate time of germination, peak development, and drying of rangeland forage can be readily determined. This kind of information will contribute to: decision to extend or withdraw grazing leases; detection of changes within the grazing season; comparison of production between grazing areas; and determination of when dry forage creates a fire hazard.

Publication of LANDSAT mosaics of Florida and Arizona. State of Arizona has begun using the LANDSAT mosaic as a base for a series of maps showing highway net, unincorporated real estate subdivisions, change in snow cover, and meteorological conditions.

W.T. Pecora Memorial Symposium, October 27-29, 1975, Sioux Falls, South Dakota—More than 600 people attended this remote sensing symposium from major and independent oil companies, mining and mineral exploration companies, and State and Federal agencies. A large number of attendees had not been previously involved or aware of the current status of remote sensing research, but had come to learn of new applications to their technical and business activities.

#### ENVIRONMENTAL IMPACT ANALYSIS PROGRAM

Senator STEVENS. The budget includes an increase of \$670,000 for environmental impact statement—EIS—preparation and review. Are the EIS's primarily energy related and are they for onshore or offshore activities?

Dr. MCKELVEY. The Survey will be involved in the preparation of approximately 32 EIS in fiscal year 1976, and 42 EIS in fiscal year 1977. Currently, 84 percent of the EIS which the Survey is preparing are energy related.

The Survey in fiscal year 1976 has been designated lead bureau in 15 of the scheduled 32 EIS to be prepared. Lead designation implies responsibility for directing, processing, and publishing the completed EIS. Of the 15 EIS directed by the Survey, 14 of these or 93 percent are energy related, and of these 14 percent are for offshore activities and 86 percent are for onshore activities. Of the remaining 17 EIS currently directed by other bureaus or agencies with the participation of the Survey, 13 of these or 76 percent are energy related and they are all for onshore activities.

The 27 energy related EIS currently in process consist of 21 EIS involved with coal, three with oil or gas, one with tar sands, and two with uranium.

The Survey will be involved in the review of approximately 2,400 EIS and related documents from other bureaus and agencies in fiscal year 1976, and 2,650 in fiscal year 1977. NEPA related documents from the Corps of Engineers and the Federal Highway Administration make up 41 percent of the current total. Thirteen percent of the EIS which the Survey reviews are energy related.

#### FACILITIES

Senator STEVENS. Last year you requested a reprogramming to fund a storage facility in Reston for rock samples, core drillings and the like. That reprogramming was not approved. Why aren't you including funds for this facility in your 1977 budget? Is it no longer needed?

Dr. MCKELVEY. Mr. Chairman, we were unable to include this request in the fiscal year 1977 budget due to fiscal constraints. The storage facility is still needed and its need will become even more

pronounced in future years. However, until the fiscal picture improves, we will rent storage facilities.

Senator STEVENS. The total increase in your 1977 budget for GSA space costs is some \$1.5 million, according to a statement Survey furnished the committee. Please supply the total request for such costs and justify the increase.

Otherwise, what is responsible for the \$4.2 million increase in the rent, communications and utilities object class?

Dr. MCKELVEY. Exclusive of the national center complex, which is separately funded for rent and related services, the GSA space cost—standard level user charges—for fiscal year 1977 is \$9,972,000, an increase of \$1,501,000 over fiscal year 1976. The increase is attributed to the restoration of the 10 percent congressional space reduction imposed in fiscal year 1976, \$941,000, and a 6 percent increase allowed by the OMB for rate escalation, \$560,000.

Other items which are responsible for increased costs in the object class include postage, the national center complex costs for space, ADP rentals, FTS and other communication systems related principally to program increases in the fiscal year 1977 budget.

#### GENERAL ADMINISTRATION

Senator STEVENS. What is involved in the \$300,000 decrease for general administration? There is no explanation in the justification.

Dr. MCKELVEY. This amount involves a general program reduction for administrative activities. Although we have not assessed the impact in specific areas, it no doubt will be spread among all functions covered by this line item.

Senator STEVENS. Please explain your requested \$1.3 million increase in travel.

Dr. MCKELVEY. The principal reason for the increase in travel is attributed to the expansion of the Conservation Division's lease management operations. That increase alone for the additional 509 permanent employees is about \$700,000. About 75 percent of the Geological Survey's programs require travel in support of field operations. During the past year per diem rates and the cost of transportation have increased travel costs as well.

Senator STEVENS. Your estimates for the "other services" object class are dropping by \$8.5 million, down 18 percent. What is involved in this change?

Dr. MCKELVEY. The funds being proposed for reduction in fiscal year 1977 are in programs mostly conducted by contracts and grants. For example, the geothermal, earthquake and EROS-LANDSAT programs. However, the program for which increases are being requested—lease management and evaluation—is manpower intensive, therefore, resulting in a reduction of the other services object class, and increasing the personnel services object class.

#### CONCLUDING REMARKS

Senator STEVENS. Mr. Secretary, we are in a situation this year where we will try to give you a little bit more money than you want. I hope it does not offend you; I do not think it will.

I do not know how successful we will be, but I am sure that the Chairman and I will review your needs closely. As I recall we did some substantial readjusting in dollars in this bill last year. We took \$100 million out of FEA and distributed it to other Interior Bureaus.

We may be doing some similar redistribution this year, and I hope it will meet with your approval. But we do have some priorities that may not be totally shared.

Maybe we see our problems a little bit differently, but we do want to emphasize the research and assessment programs to the maximum extent possible. I hope we can work together in that regard.

QUESTIONS SUBMITTED BY SENATOR M'GEE

We have a number of questions submitted by Senator McGee which we will ask you to consider and answer for the record.

[The questions and answers follow:]

## QUESTIONS SUBMITTED BY SENATOR MCGEE

Question: It is my understanding that the State of Wyoming and USGS are seeking to establish a cooperative agreement to complete orthophotoquad mapping for Wyoming. What is the status of this agreement. What will the cost be for the USGS portion of this program? Are funds available in this fiscal 1977 appropriations request for this agreement?

Answer: A cooperative agreement between the Geological Survey and the State of Wyoming for complete orthophotoquad coverage of the State is expected to be consummated by May 1, 1976. Negotiations, toward this agreement, have been with the Office of the State Planning Coordinator, Executive Department.

The total cost of this program will be \$1,000,000 over a 5-year period beginning in FY 1977. The State funds will be \$500,000 and USGS cost will be matching funds of \$500,000.

Funds are available in the FY 1977 appropriations request to meet the obligations of this agreement for that year. Funds are not identified specifically, but will be available for this program in future years through the National Mapping Program orthophotoquad activity, designed to prepare orthophotoquads to meet the needs of Federal and State planners, and land resource managers.

Question: Last year the USGS awarded the University of Wyoming a contract for environmental mapping of the Powder River Basin. What is the status of this project? Are any other agreements in-being or contemplated?

Answer: A contract with the University has been awarded for the preparation of land use, land form, and vegetation maps of Johnson and Sheridan Counties at a scale of 1:125,000. These studies are part of our program on environmental aspects of energy resource development. The maps of Johnson County are completed and will be published by the Wyoming Geological Survey in a report in their county resource series this year. The maps of Sheridan County are in progress, but were delayed somewhat by budget constraints in FY 1976. They should be completed during the coming field season. It is our hope to be able to contract with the University of Wyoming for preparation of similar maps of other counties in the Wyoming parts of the Powder River Basin.

Question: What funding has been requested by USGS for continuation of the Madison Limestone Aquifer study in fiscal year 1977?

Answer: We propose to continue the Madison study at a level of \$2 million in FY 1977.

Question: As you know, I was responsible for adding \$2 million in the fiscal year 1976 USGS appropriation to begin this vital program. This was at no expense to other on-going USGS projects. Now I have learned that USGS has been directed by the Office of Management and Budget to reduce its Federal base program by \$2 million in fiscal year 1977. Did you elect to continue the Madison work by this means or were you directed by OMB? Did you appeal this decision?

Answer: For FY 1977 we were directed by OMB to increase Coal Hydrology studies by \$4 million of which \$2 million was for continuation of the Madison Study; concurrently OMB directed we reduce our base program by \$2 million and redirect \$2 million Co-op into Coal Hydrology. This decision was appealed by the Survey.

Question: While the Madison Study funding will not be affected by this reduction, what specific on-going programs will be affected?

Answer: To provide the \$2 million for the Madison Study there will be reductions in the following areas:

1. Water Data Coordination, \$-100,000
  - ° Defer printing and distribution of Water Data Information
  - ° Reduce field coordination
2. Data Collection and Analysis, \$-750,000
  - ° Discontinue stations, reduce activity at stations in Basic Network, Benchmark Network, Lower Colorado River, NASQAN, Pesticide Monitoring, Radiochemical Surveillance, and MRB Program.
  - ° Reduce analytical laboratory, and computer-system support
  - ° Discontinue development of aerial measurement techniques
3. Regional Resource Appraisals, \$-400,000
  - ° Defer starts on 2 regional ground water appraisals
  - ° Defer further work on the regional hydrogeologic investigations of the Atlantic Coastal Plain
  - ° Terminate several environmental and water-quality projects.
4. Hydrologic Research, \$-400,000
  - ° Reduce vegetation hydrology studies, evaporation, geochemistry, water chemistry, and sediment research.
  - ° Thereby delaying a better understanding of the role of water in the environment; accurate estimates of water supply in arid areas; and our ability to predict water quality, erosion, sediment transport, and sediment deposition.
5. Hydrologic Investigations on Public Lands, \$-350,000
  - ° Terminate erosion control studies, rainfall simulation studies, studies of water supply on public domain, hydrologic classification of arid watersheds, and hydrologic effect of off-road vehicular use.

Question: Please provide for the Record, a status report of your progress to date on the Madison Limestone Aquifer Study. Is the project on schedule?

Answer: An advisory committee of state and Federal representatives has been convened to evaluate the proposed plan of study and help select future test well sites; the approximate site for an initial deep test well has been selected in the northeast corner of Wyoming; drilling and well specifications are being prepared. A specific site is being sought and drilling is expected to start by June or July, 1976.

The project is slightly delayed due to the late appropriation of funds (December 23, 1975), but the study is now well underway.

Question: What efforts have you undertaken to involve the State of Wyoming and the University of Wyoming in this project?

Answer: Wyoming is represented on the advisory committee by the State Engineer, who will be kept advised as the study progresses. Presently, the University of Wyoming has not been involved, but we expect to consult with the University on several aspects of the program as work proceeds.

Question: When do you intend to have preliminary data on this aquifer system? At what point in the course of this five year study will there be sufficient data for basic water use decisions to be made?

Answer: We expect a preliminary progress report on the Madison Study early in 1978. It is difficult to say at this time if this will define in a positive manner water availability and inputs; some preliminary decisions probably will be feasible at that time.

Question: You stated in testimony before this Subcommittee last year that you had made some significant breakthroughs in earthquake predictive capabilities. What kinds of earthquakes can you predict and to what degree of accuracy as to time, duration, intensity, etc.?

Answer: The breakthroughs in earthquake prediction have been in the observation of earthquake precursors, that is, geophysical anomalies occurring before earthquakes. We have not yet developed a physical model of the earthquake process to serve as a basis for earthquake prediction nor deployed instruments in large numbers to detect precursors. Our position is, therefore, that the feasibility of earthquake prediction has been established, but an operational prediction capability has not been developed.

Question: What is the status of your earthquake research program? Are there sufficient funds in this request to continue this research?

Answer: Major advances have been made in methods for estimating regional seismic risk and for evaluating potential earthquake hazards in urban areas. Using the San Francisco region as a natural laboratory, our scientists have developed new techniques for the identification of active faults and for the qualitative delineation of areas susceptible to strong shaking and ground failure. These methods have application to other earthquake-prone cities and can be used as a basis for land-use planning and engineering actions to substantially reduce earthquake hazards.

In recent years, important advances also have been achieved toward the goal of earthquake prediction. Numerous geophysical anomalies have been reported to have occurred before earthquakes, and scientists generally believe that earthquake prediction is feasible. In February 1975 a magnitude 7.3 earthquake was successfully predicted in the People's Republic of China and many thousands of lives were saved. Much work remains, however, before our understanding of the earthquake process is sufficient to permit reliable forecasting. At present, there is no operational earthquake prediction capability in the U.S.

We are planning to send you a letter requesting reprogramming that will allow us to increase our studies of the Southern California uplift by \$2,600,000, half of which would come from the National Science Foundation. Other studies are programmed at essentially the FY 1976 level, which is sufficient to continue the research.

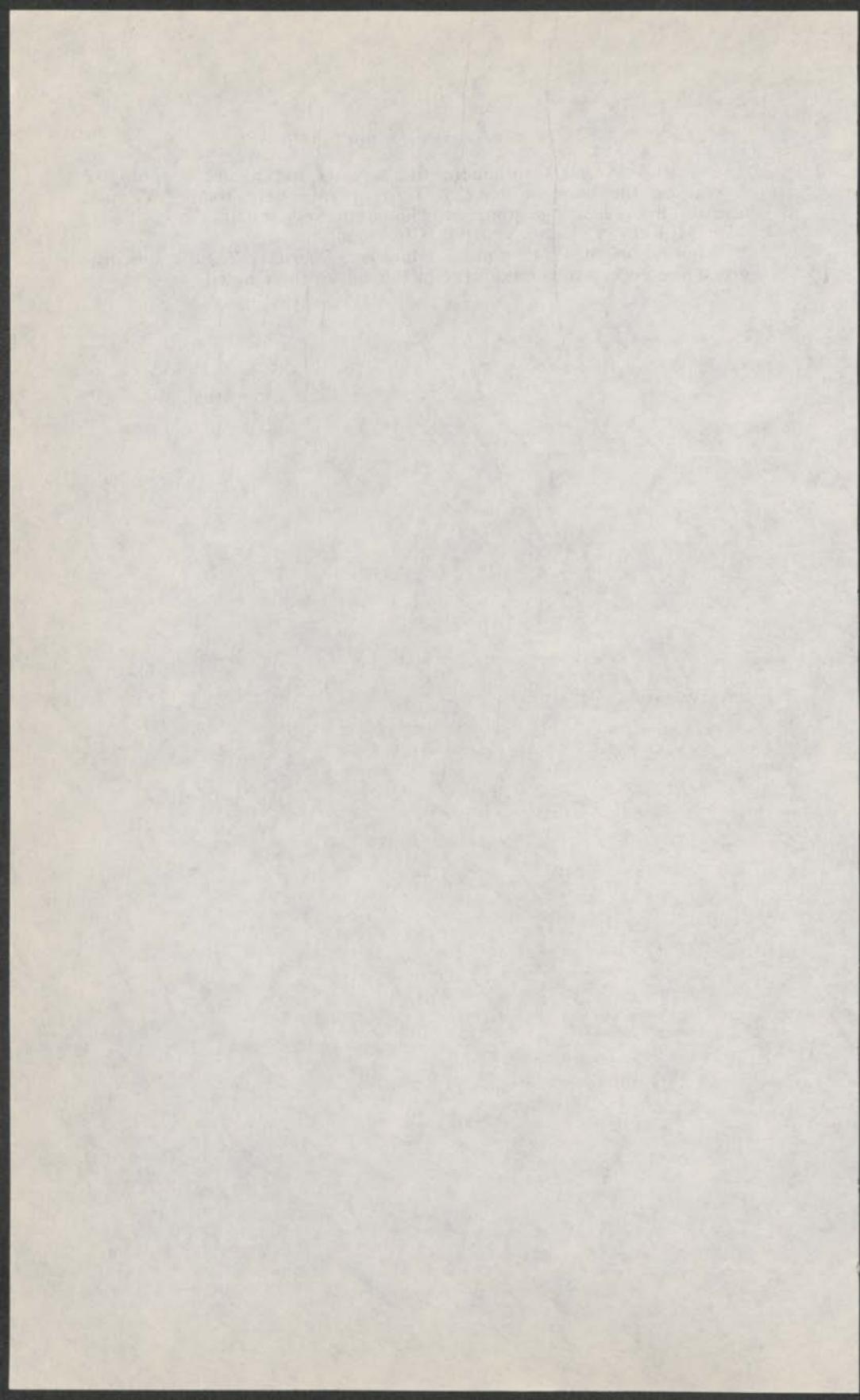
Budgetary constraints do not allow for funds to increase this activity at this time.

## SUBCOMMITTEE RECESS

Senator STEVENS. Gentlemen, thank you, and again, I apologize to you on the way we have had to operate here today. We just have too many hearings going on. Thank you very much.

Dr. MCKELVEY. Thank you, Mr. Chairman.

[Whereupon, at 12:45 p.m., Wednesday, February 25, the subcommittee was recessed to reconvene at the call of the Chair.]



**DEPARTMENT OF THE INTERIOR AND RELATED  
AGENCIES APPROPRIATIONS FOR FISCAL YEAR  
1977**

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**TUESDAY, MARCH 2, 1976**

**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.

**DEPARTMENT OF THE INTERIOR**

**OFFICE OF THE SOLICITOR**

**STATEMENT OF H. GREGORY AUSTIN, SOLICITOR**

**ACCOMPANIED BY:**

**DAVID E. LINDGREN, DEPUTY SOLICITOR**

**DONALD A. CHENDORAIN, ACTING ADMINISTRATIVE OFFICER**

**FRANCIS M. WILES, DIRECTOR OF BUDGET, DEPARTMENT OF  
THE INTERIOR**

**BIOGRAPHY AND PREPARED STATEMENT**

Senator STEVENS. We will begin this morning's hearings with the Office of the Solicitor, which is requesting \$12.6 million. This is an increase of \$1.3 million over appropriations to date for fiscal year 1976. The justification has been included in part 1 of the hearing record.

Mr. Austin, welcome in your first appearance before the subcommittee. If you will introduce those with you at the witness table, I suggest you highlight your statement. The full prepared statement will be printed in the record.

Since this is your first appearance before the committee, we will also print your biographic statement.

[The biography and statement follows:]

## BIOGRAPHICAL STATEMENT

Date of Birth: March 18, 1936

Place of Birth: New York City, N. Y.

Education:

Preparatory: Hotchkiss School, graduated in 1953  
Undergraduate: Yale University, B.E. (Mechanical Engineering)  
1957  
Postgraduate: Yale University, Studies in Humanities, 1958  
Legal: University of Michigan, J.D., 1961

Military Status: Active duty, U. S. Army Artillery, 1957-1958;  
presently First Lieutenant USAR (Ret.).

Professional Employment: Private practice of law, 1962-1973, with  
Holland & Hart, Denver, Colorado, 80-man law firm engaged in general  
business practice in Rocky Mountain Region. Associated with the firm  
from 1962 until 1968; partner in the firm from 1968 until 1973.

Government Service: U. S. Small Business Administration, General  
Counsel, April, 1973 to December, 1975; Department of the Interior,  
Solicitor, December, 1975 to present.

Professional Associations:

Bar Associations: Member of American, Federal, Colorado and  
Denver Bar Associations.

Association Offices: Vice Chairman, Small Business Committee,  
American Bar Association.

Executive Committee, General Counsels Committee,  
Federal Bar Association.

Related Activities: Member, Administrative Conference of the  
United States.

Immediate Family:

Wife: Deanna Anderson Austin  
Children: Sabrina Elizabeth Austin  
Harry Gregory Austin, III

Home Address: 80 Kalorama Circle, N. W.  
Washington, D. C. 20008

Mister Chairman:

It is a pleasure to appear before you and your distinguished Committee on behalf of the Solicitor's budget request for Fiscal Year 1977.

You should be aware, Mr. Chairman, that I was sworn in as Solicitor less than three months ago. While the numerous important issues before the Department, the thousands of pending cases in both litigation and administrative proceedings and the difficulty of becoming familiar with the management and budget of a new office were initially almost overwhelming, my colleagues have been doing their best to "bring me up to speed."

In years past, my predecessors have described for you the general subject matter jurisdiction of each of the five divisions in the Solicitor's Office. As that material is in the Justification Statement, and there have been no material changes in the jurisdiction of the divisions, it seems appropriate, before turning to budgetary items, to discuss the expanding areas of responsibility and activity in the Solicitor's Office.

In reviewing the workload for each of the five divisions over the last twelve months, we find the following:

Conservation and Wildlife -- The enactment of D.C. Home Rule bill, which changed the legal relationship between the National Capitol Parks and the District of Columbia, has required extra effort by the Conservation and Wildlife Division in this period. In addition, review of legal matters associated with the Bicentennial program has substantially increased the workload. Other areas of increased activity include the endangered species program, new national parks, wildlife refuges, wild and scenic rivers, and national forests to be designated pursuant to the Alaskan Native Claims Settlement Act, and archeologic and historic preservation.

Energy and Resources -- The concerns which have arisen with respect to the nation's petroleum supplies and the direct effect of those concerns on the government's land, water, and mineral resources have resulted in increased activity in this division. The recent announcement by the Secretary of the Federal Coal Leasing Program will require more attention by this division in the future. In addition, the Alaska Native Allotments and the OCS oil and gas programs have resulted in increased regulation drafting and litigation reports. Legal issues associated with oil and gas pipelines have also increased the work of this division. Furthermore, the Energy Policy and Conservation Act of 1975 has already resulted in regulation drafting in this division.

General Law -- An increase in work associated with environmental actions under NEPA has caused a significant workload impact in the General Law Division in this period. Other recent developments that have substantially enlarged the General Law Division's workload include (1) opinions and regulations rendered pursuant to the Freedom of Information Act, Privacy Act, and Federal Advisory Committee Act; (2) enforcement of Executive Order 11246 dealing with equal employment opportunity; (3) implementation of the new Federal procurement regulations and interagency agreement between the Departments of Interior and Commerce, both dealing with patents; and (4) implementation of Executive Order 11838, governing labor-management relations. Furthermore, the General Law Division has already been active in reviewing the procurement provisions of the Indian Self-Determination and Education Assistance Act of 1975 and it is expected that their activity will increase with the awarding of contracts.

Indian Affairs -- The Department's more assertive policy in carrying out its role as trustee for the American Indians has involved the Indian Affairs Division in increased litigation with respect to (1) Federal recognition of tribes; (2) hunting and fishing rights; (3) jurisdiction of states over Indian tribes and Indian tribes over non-Indians within the tribal boundaries; and (4) water rights adjudications. In addition, promulgation of regulations pursuant to the Indian Financing Act and the Indian Self-Determination Act; implementation of the Menominee Restoration Act; litigation over judgement fund plans and management of these funds; and legal issues associated with the establishment of a thirteenth region under the Alaska Native Claims Settlement Act are all areas of increased responsibility and activity for the Indian Affairs Division.

Mine Health and Safety -- No new statutes have directly affected the workload of this division. However, the Justice Department has given increasing responsibilities to our attorneys in handling court cases under the Metal and Nonmetallic Mine Safety Act and the Federal Coal Mine, Health and Safety Act of 1969 and we do expect this division's involvement to keep expanding under these two statutes.

It will be possible for the Solicitor's Office to continue to carry the significantly increased responsibilities and volume of work described above through efficient management, streamlined procedures, higher productivity from attorneys and a modest increase in staff.

Turning now to the budgetary issues, the Office of the Solicitor's request for Fiscal Year 1977 is \$12,658,000 for 442 positions. This request represents a net increase over Fiscal Year 1976 of \$1,042,000. \$707,000 or 68% of this increase is considered to be of an uncontrollable nature -- that is, funds which must be expended pursuant to executive orders, automatic salary increases and increased cost for services provided by other governmental agencies and private industry.

The net increase of \$1,042,000 will be utilized as follows:

I. Non-controllable items:

1. \$138,650 Within-grade salary increases which will become payable during Fiscal Year 1977, pursuant to Section 531.401 of the Federal Personnel Manual.
  2. \$258,350 Estimated increase in cost for services and facilities provided by GSA, other government offices and private industry.
  3. \$ 50,000 Increased cost of maintaining current level of travel resulting from higher per diem allowances and increased cost of both air and surface transportation.
  4. \$136,000 Increased charges resulting from both increased usage and higher costs of charter transportation in Alaska, training and tuition, and computer services.
  5. \$124,000 Annualization of October 1975 pay raise pursuant to Executive Order 11883.
- \$707,000 Represents total costs associated with foregoing items.

## II. Controllable items:

1. \$235,000 Annualization of FY'76 positions.
  2. \$100,000 Promotions and quality increases.
- \$335,000 Represents total controllable expenditures.

The largest item in the controllable increased expenditures is the \$235,000 for the annualization of FY'76 positions. We are requesting funding for the balance of the 25 new positions for which we received partial funding (funding for 10 positions) last year. Last year's partial funding request was predicated on the fact that the Solicitor's Office felt it would be unable to hire 25 new employees of high quality early enough in the year to justify a full year's funding for all the positions. However, we have now brought on 8 of these new employees, and now request funding for the balance of the 25 positions for the full year. Because of the increased workload described earlier in these remarks, it is imperative that we now receive full funding for the other 15 positions which we were allotted last year. Not only will this \$235,000 allow us to proceed with the orderly high quality hiring policy as in the past, but this will also cover all costs associated with these new positions and allow us to provide the quality of legal services our clients need and the public deserves.

Mr. Chairman, this concludes my statement. I will be more than happy to attempt to answer any questions that you and the other Members of the Committee have.

## STATEMENT SUMMARIZED

Mr. AUSTIN. Thank you very much, Senator. I am accompanied by my Deputy, Mr. David E. Lindgren, and the Acting Administrative Officer of the Office of the Solicitor, Mr. Donald A. Chendorain.

It is a pleasure to appear before your committee this morning, Senator, on behalf of the Solicitor's budget request for fiscal 1977. In light of the other business you have before you, I would like to summarize in a very brief fashion.

The Office of the Solicitor's request for fiscal year 1977 is \$12,658,000 for 442 positions. This request represents a net increase of \$1,042,000 over fiscal year 1976 with \$707,000, or 68 percent, of this increase considered to be of an uncontrollable nature—that is, funds that must be expended pursuant to executive orders, automatic salary increases and increased cost for services provided by other governmental agencies and private industry.

The net increase of \$1,042,000 will be utilized as follows: Starting with five noncontrollable items, first; \$138,650 for within-grade salary increases. Second, \$258,350, estimated increase in cost for services and facilities provided by GSA, other Government offices and private industry. Third, \$50,000, as increased cost of maintaining current levels of travel. Fourth, \$136,000, increased charges resulting from both increased usage and higher cost of charter transportation in Alaska, training and tuition and computer services. Fifth, \$124,000, as an annualization of October, 1975 pay raises.

The five controllable items aggregate \$707,000. Next I will list the two controllable items: first, \$235,000, for annualization of fiscal year 1976 positions; and second \$100,000, for promotions and quality increases. The two controllable items aggregate \$335,000.

The largest item in the controllable increased expenditures is the \$235,000 for the annualization of fiscal year 1976 positions. We are requesting funding for the balance of the 25 new positions for which we received partial funding, that is, funding for 10 positions last year.

Last year's partial funding request was predicated on the fact that the Solicitor's Office felt that it would be unable to hire 25 new employees of high quality early enough in the year to justify a full year's funding for all the positions. However, we have now brought on eight of these new employees. We have 2 more in process and we now request funding for the balance of the 25 positions for the full year; that is, the remaining 15 positions.

Because of the increased workload described in the statement that I am submitting for the record, it is imperative that we now receive full funding for the other 15 positions which were allotted last year. Not only will this \$235,000 allow us to proceed with the orderly, high-quality hiring policy as in the past, but this will also cover all costs associated with these new positions, and allow us to provide the quality of legal services that our clients need and the public deserves.

Mr. Chairman, that concludes my statement. I will be happy to answer your questions at this point.

## SOLICITOR'S BACKGROUND

Senator STEVENS. You were with the SBA, I note, from your background statement and resume.

Mr. AUSTIN. That is correct. I served with Secretary Kleppe there for a little more than 2½ years.

Senator STEVENS. Have you had any past associations with programs administered by the Department of the Interior at all?

Mr. AUSTIN. No, sir. Occasionally, we attempted to encourage the Department to set aside contracts for small business, and we participated in encouraging the Department to engage in active equal employment opportunity practices in the trans-Alaska pipeline, but I had no other direct association with the programs under the jurisdiction of the Department of the Interior.

## INCREASED WORKLOAD

Senator STEVENS. What is this increased workload that you mentioned? Could you give us any specifics?

Mr. AUSTIN. In our justification, Mr. Chairman, we outlined the general areas where the increased workload occurs. I would like to emphasize that I feel that this increased workload is, by and large, being handled adequately, and can continue to be handled, by the existing staff with a rather nominal increase in the staff that will be permitted by our ceilings and budget.

I would want to mention, particularly, three areas in which we see the workload growing. First, in the environmental area, we have, as you know, a major increase in litigation under NEPA, particularly concerning the Outer Continental Shelf development. And there has been major litigation concerning the new coal policy. Second, in the Division of Indian Affairs, there has been a marked increase in activity. Our caseload has increased from 217 cases in August 1975, to 250 cases as of January 23, 1976.

Senator STEVENS. Where?

Mr. AUSTIN. In the Division of Indian Affairs. That has been dealing with jurisdiction cases, tribal recognition, hunting and fishing rights, water rights, and other isolated matters.

Third, in the Division of Energy and Resources, our caseload has generally picked up about 15 percent. There are other special areas that have been developed, such as in the area of parks, where the bicentennial year is causing a significant increase in their work.

Endangered species legislation has created a lot of additional activity. I could go through the divisions within the Solicitor's Office one at a time, Senator, but the caseload increase is fairly well spelled out in our justification.

## PLANNED STAFFING

Senator STEVENS. How many people will you have, if we approve and fund the 25?

Mr. AUSTIN. We would have 442 positions.

Senator STEVENS. Legal positions or total positions?

Mr. AUSTIN. Total secretarial and legal. That position allocation is not broken down specifically between secretarial and legal. At the present time, we have 231 lawyers on board.

Senator STEVENS. Would that be your total staff, field and central office?

Mr. AUSTIN. That is correct, sir.

Senator STEVENS. Has there been a change in departmental policy? Are some of the lawyers going back to the Bureau staffs?

Mr. AUSTIN. No, sir. To the best of my knowledge there has been no change in departmental policy, and there are no lawyers functioning as lawyers on Bureau staffs.

#### COAL LEASING

Senator STEVENS. What about this coal leasing policy? We understood that that announcement was made after your budget was prepared. Are you saying that you had coal leasing policy workload before this statement?

Mr. AUSTIN. Senator, we were working on diligence requirements, commercial quantities definitions and the development of other regulations under the existing laws.

Certainly, the new coal activity, if it proceeds with actual leasing, will result in additional workload. But as of the present time, our new coal policy does not mean that there must be the leasing of additional coal.

From January of 1975, to January 1976, the coal program has been involved in five new court cases. We have completed four litigation reports and I am sure you will recall that those are rather detailed documents, equivalent to writing a brief. We have also completed a total of 82 memoranda dealing with the coal program, many being devoted to *Sierra Club v. Morton*, now called *Sierra Club v. Kleppe*. This is the *Northern Great Plains* case that attempted to halt the development of this program until a five-state environmental impact statement had been written.

#### MINE HEALTH AND SAFETY

Senator STEVENS. What about mine health and safety? You mentioned that, too, in your statement. How does that increase the Solicitor's Office's responsibility?

Mr. AUSTIN. A short time ago, roughly 2 years ago, there was an enormous and unacceptable backlog of compliance cases in mine health and safety. Since that time a massive effort has been made to bring down that backlog.

In addition, the local U.S. attorneys in the Department of Justice have been assigning us increased responsibility and we now handle entire MESA proceedings before Federal court whereas before we were limited to preparation of pleadings and affidavits.

The result is that our backlog of civil penalty cases has dropped from well over 8,000 cases in November of 1974 down to 2,922 around the first of this year.

Senator STEVENS. Did you not transfer most of those to MESA?

Mr. AUSTIN. The handling of the civil penalty cases does fall within the Solicitor's Office in our Division of Mine Health and Safety. We are MESA's lawyers, in essence.

Mr. LINDGREN. Mr. Chairman, some of those cases were referred back to MESA for recomputation of penalties, and some of them

remained with the Solicitor's Office depending upon the choice of the coal company involved.

Some of the reduction is, of course, attributable to the fact that they did go back to MESA for reprocessing by MESA under the new guidelines. But a large number of them also remained with the Solicitor's Office, and have been processed through the Office of Hearings and Appeals. So the decrease in backlog is attributable to both.

Mr. AUSTIN. The caseload in that Division is rather remarkable. As of the end of January 1976, there were 3,756 cases pending in court.

In addition, there were 2,986 administrative proceedings pending, and a number of other matters pending under regulations. You may recall, Senator, that under the relationship that we have with the Department of Justice, attorneys of the Solicitor's Office handle, really, the entire proceedings.

The U.S. attorney signs the pleadings, but beyond that he really does not handle the cases.

#### OCS ACTIVITY

Senator STEVENS. What about this new OCS leasing policy? Can you tell us what portion of your budget is now related to energy activities, including our oil and gas pipeline problem and the Energy Policy and Conservation Act?

Mr. AUSTIN. I would like to ask Mr. Lindgren to comment on that.

Mr. LINDGREN. Mr. Chairman, starting with OCS workload, it is primarily based in Washington, although a little of it is done in our field offices.

The work in Washington is spread between two divisions. In the Division of Energy and Resources, I would estimate we have four or five lawyers working on OCS problems, and in the Division of General Law, which has our environmental law shop, I would estimate that one and a half to two lawyer years are being spent on OCS problems.

In addition to that, some work is being done in our Anchorage regional office with respect to the OCS in Alaska. Some work is being done in our Riverside field office with respect to OCS activities in California, and a small amount of work is being done in our Philadelphia regional office with respect to OCS problems on the Atlantic.

The bulk of OCS work is concentrated in the Washington office, and as I estimated, we are probably putting about six lawyers a year on OCS problems.

With respect to the trans-Alaska pipeline, the majority of the work being done is now being done in our Anchorage office.

We have one lawyer working on that exclusively. The remaining work is spread among the remaining lawyers in the Anchorage office, and I would estimate that at least one additional lawyer is required for the trans-Alaska pipeline.

Senator STEVENS. Your statement, Mr. Austin, refers to the NEPA workload. Do you anticipate any increased NEPA workload in 1977?

Mr. AUSTIN. Senator, it is very difficult to predict. I think if you look at the trend over the last few years you would have to say that there will be an increase in this workload.

We intend to proceed with Outer Continental Shelf development, and historically that has resulted in extensive NEPA litigation.

I believe that it is going to be Secretary Kleppe's desire to make a lot of the difficult decisions now before the Department and to move ahead on some of the programs that have been held up pending consideration by the Department.

I believe that forward movement is inevitably going to result in litigation. It is the Secretary's desire that, where settlement is possible, these conflicts be resolved by a settlement, as opposed to always getting into litigation. It slows things down and wastes the Government's resources and energy. I think in spite of that emphasis there will be, inevitably, increased NEPA litigation.

Mr. LINDGREN. If I might amplify that just slightly. Last year, when the Solicitor's Office was before the subcommittee, there was basically one major OCS court case pending.

Since then, two more have been filed here in the District of Columbia, and, as I am sure you are aware, the Governor of Alaska has indicated that we will have a fourth before us very shortly.

In the field of coal, a year ago we had two major cases. They are both still pending, and we have had two major cases filed against us since we were before the subcommittee last year.

They all involve NEPA. They are all environmental cases. And all of the cases that I am speaking of are major attacks on our programs and the kind of litigation that consumes a tremendous amount of Interior Department lawyers' time and efforts.

Senator STEVENS. Those cases are still handled by the Department of Justice; aren't they?

Mr. AUSTIN. The Department of Justice has primary responsibility in representing the Department of Interior before the courts.

However, the lawyers at the Department of the Interior bear a very high percentage of the burden in preparation of pleadings and briefs.

I think it would be misleading to simply state that the Department of Justice represents the Department of the Interior. Interior very much performs the function of the solicitor in the barrister-solicitor relationship, and has done a high percentage of preparation and research.

#### ANNUALIZATION OF FISCAL YEAR 1976 POSITIONS

Senator STEVENS. You say you want to annualize the positions from last year. You had 10 new positions funded in 1976 and yet you have 25 now.

How did we get the 15 new positions over the 10 from last year?

Mr. AUSTIN. Last year we requested 25 additional positions, and we requested funding for 10 of those 25. This year we are requesting funding for 15 which is the balance of the 25 positions.

Senator STEVENS. My memory is that you requested 25 and we tried to get them for you but I got knocked down to 10 in conference.

You are coming back with 25 now. You did not get approved on 25 last year, did you?

Mr. AUSTIN. It is my understanding we did get approved on the 25 positions, but only on funding for the 10, the theory being that there was no way to fill all of the 25 positions in 1 year if we were to maintain the quality of lawyers that is desirable.

Senator STEVENS. I thought the funding for even the 10 was cut in half.

Mr. AUSTIN. Let me ask Mr. Lindgren to explain the history of that.

Mr. LINDGREN. Mr. Chairman, last year we requested and included within our budget these 25 new positions. In terms of funding, we requested funding for 15 of those 25 positions, and, you are correct, there was a cut, and it was cut to 10.

We received funding for 10 positions.

Senator STEVENS. The House cut them all out; didn't they?

Mr. LINDGREN. The House cut out 10 positions and the Senate restored funding for all 15 positions. The conference committee result was 10 funded positions.

Senator STEVENS. We had a battle getting them back in, but we only funded half a year for 10 positions.

Mr. LINDGREN. Mr. Chairman, my recollection is that we received funding for 10 positions for the full year. We have treated it as funding for 10 positions for the full year.

Senator STEVENS. There is no use arguing about it.

Mr. LINDGREN. We are now before the subcommittee requesting funding for 15 remaining positions. In other words, Mr. Chairman—

Senator STEVENS. I think you had better convince our colleagues in the House, if you want to get any new positions.

Mr. AUSTIN. Senator, I would like to thank you for rescuing us last year and express my appreciation.

#### PERSONNEL TURNOVER

Senator STEVENS. I had the impression that you have fewer people than I did when I was Solicitor, and I cannot understand that. Maybe it is a reorganization of some kind.

Have you lost any people in the Solicitor's Office as the result of reorganization?

Mr. AUSTIN. Not to my knowledge.

Senator STEVENS. Have you lost any people from the various Bureaus, Fish and Wildlife and the others?

Mr. LINDGREN. We have not lost any of our people to the Bureaus. Since I have been in this position we have lost a few lawyers due to reorganizations in the executive branch. The number is insignificant. Since I have been Deputy, the personnel complement of the Solicitor's Office has been increasing every year.

There were, I believe, some changes back about 5 or 6 years ago. The Solicitor's Office budget did not fare very well, but in the last 3 years we have been able to increase the complement of the Solicitor's Office every year.

Referring back to one of the questions you began with, the legal work of the Department is being done in the Solicitor's Office and not in the Bureaus. The policy has not changed. It has been reinforced every year, and it is our intent to perform all of the legal work for the Department in our office.

Senator STEVENS. Is legislative counsel still within your organization?

Mr. AUSTIN. No, sir, it is not. It is in the Office of Congressional Affairs.

#### DISTRIBUTION OF NEW POSITIONS

Senator STEVENS. Do you really think you can fill 17 new positions in 1977 if you have only been able to fill 8 of the 10 so far?

Mr. AUSTIN. Senator, between now and the end of the transition period we expect to have all 10 funded positions filled and, if funding is granted, 5 others in process. It is my feeling that the pressure of work is going to be a significant factor in proceeding to staff all available positions.

Senator STEVENS. How many of those new positions will be in Washington, and how many in the field?

Mr. AUSTIN. Of the additional 15 positions, all will be in Washington. It is our intention that those 15 positions would be used to hire 3 additional attorneys, 3 additional secretaries, 6 administrative personnel and 3 paralegal personnel.

Senator STEVENS. Six administrative personnel?

Mr. AUSTIN. Yes, sir.

Senator STEVENS. What are they for?

Mr. AUSTIN. It is my personal view that lawyers, both in private practice and in government, tend to spend too much of their time performing administrative functions as opposed to performing in their area of training and expertise. I think that is certainly true within the Solicitor's Office. It was my intention to place one administrative person in each of our divisions, with the exception of Mine Health and Safety, and they have a very good administrative staff at this point.

Senator STEVENS. Don't you already have administrative staff in each of those divisions?

Mr. AUSTIN. We do, and it is simply not adequate, in my view.

Mr. Lindgren reminds me that it is possible that some of these legal personnel, after they are adequately trained in Washington, would be transferred to the field. But that is a longer range plan.

#### WASHINGTON VERSUS FIELD OFFICE STAFFING

Senator STEVENS. I was under the impression that you have been bringing people in from the field, and the field office staffs are being reduced, and you are just getting more and more people in Washington.

Mr. AUSTIN. I know that that is sometimes a tendency. However, I have visited a number of the field offices, and in my conversations there I have concluded that at least the offices I visited are not short-handed as far as attorneys are concerned.

One of the things that I wish to concentrate on is determining whether we are making the most intelligent allocation of our personnel

within the Solicitor's Office, and whether there should be a shift between the divisions in the Solicitor's Office, or a movement of more work to the field. That is a matter that will have to be studied over a period of time, and I think it is a matter that has to be reexamined from time to time.

We will be attempting to do our best to make intelligent allocations.

Mr. LINDGREN. Mr. Chairman, in the last few years it is true that the complement of lawyers in the Washington office has been increasing, and it has been increasing at a more rapid rate than has the field. This has been primarily attributable to our ability to hire additional lawyers. It is not at all attributable to transferring lawyers from the field into Washington.

As a practical matter, most of our lawyers have no desire whatever to come to Washington. In the last year we have increased the staff in various field offices, such as Salt Lake City, Anchorage, and Minneapolis, and we have opened a new office in Boulder City, Nev.

Senator STEVENS. Legal staff or administrative staff?

Mr. LINDGREN. I am speaking of lawyers, legal staff.

While there has been an emphasis on increasing the Washington office staff, we have been equally placing emphasis on increasing the staff in field offices, where necessary, and having work done in the field when it can be done there more expeditiously.

Much of the question revolves around where the program is being managed. The trans-Alaska pipeline, as you well know, was handled in Washington for a number of years; the policy was being set in Washington. Almost everything was happening in Washington. We are now handling almost all of the legal work in connection with the pipeline in Anchorage. We have increased the legal staff of the Anchorage office.

#### NEW PERSONNEL

Senator STEVENS. Your justification speaks to 25 new positions in total but your personnel summary shows a reduction of 10 positions both in permanent and temporary employment in 1977. How do you explain that?

Mr. AUSTIN. The reduction of 10 positions, as shown in our justification, is the result of a departmental across-the-board position reduction. In order to remain within our current position ceiling and to maintain an adequate work force, we plan to hire more personnel than positions allowed during the first two quarters of fiscal year 1977 and not fill vacancies during the second two quarters of the fiscal year. At year end—September 30, 1977—our total number of employees will either be less than or equal to our employment ceiling. As an example, on October 1, 1976, we would be programmed to have approximately 453 employees. Vacant positions that would occur between April 1 and September 15, 1977, due to resignations, retirements, transfers, et cetera, will remain vacant so that we do not exceed our employment ceiling at the end of the fiscal year.

Senator STEVENS. In what program area were the 8 new positions filled to date in fiscal year 1976 assigned? Also, where will the 15 new positions be assigned?

Mr. AUSTIN. I can supply that for the record.

[The information follows:]

At the time of our Senate Appropriations hearing (Mar. 2, 1976), we had filled 8 of the 10 positions which were funded in fiscal year 1976. Since Mar. 2, 1976, we have filled 2 additional positions. Therefore we have filled all 10 funded positions as follows:

<i>Program area/division</i>	<i>No. of positions</i>
Energy and resources:	
Attorneys .....	3
Secretaries .....	2
Paralegal .....	1
Mine health and safety:	
Attorney .....	1
Secretaries .....	2
Paralegal .....	1
Total .....	10

#### ASSIGNMENT OF NEW POSITIONS

The remaining 15 positions for which funding is being requested in fiscal year 1977 will be assigned as follows:

<i>Program area/division</i>	<i>No. of positions</i>
Energy and resources:	
Attorneys .....	2
Secretaries .....	3
Administrative .....	1
Paralegal .....	3
General law:	
Attorney .....	1
Administrative .....	1
Conservation and wildlife, administrative .....	1
Indian affairs, administrative .....	1
Administrative .....	2
Total .....	15

Senator STEVENS. So that the record is clear, please submit a statement showing how many actual new positions are involved in your 1977 budget request. Include details such as GS grade and job description for each and the cost factors involved in the requested increase.

Mr. AUSTIN. I will be happy to supply that.

[The information follows:]

<u>Program Area</u>	<u>Job Description</u>	<u>Grade Level</u>	<u>Annual Salary</u>	<u>Benefits Cost</u>	<u>Total Salary and Benefits</u>
Energy & Resources	Attorney	GS-14	\$26,861	\$2,579	\$29,440
	Attorney	GS-13	22,906	2,199	25,105
	Admin.	GS-11	16,255	1,560	17,815
	Para Legal	GS-9	13,482	1,294	14,776
	Para Legal	GS-7	11,046	1,060	12,106
	Para Legal	GS-7	11,046	1,060	12,106
	Secretary	GS-6	9,946	955	10,901
	Secretary	GS-5	8,925	857	9,782
	Secretary	GS-5	8,925	857	9,782
General Law	Attorney	GS-14	26,861	2,579	29,440
	Admin.	GS-11	16,255	1,560	17,815
Conservation & Wildlife	Admin.	GS-11	16,255	1,560	17,815
	Admin.	GS-9	13,482	1,294	14,776
Indian Affairs Admin Branch	Admin.	GS-11	16,255	1,560	17,815
	Admin.	GS-11	16,255	1,560	17,815
Total			\$234,755	\$22,534	\$257,289

According to this description, the 15 positions will cost \$257,289 in salaries and benefits. Additionally, the average cost of supplies and equipment associated with filling a new position is approximately \$1,000, or \$15,000 for the 15 positions. Therefore, our total cost for the 15 positions is \$272,289 (\$257,289 plus \$15,000).

However, we are requesting a reduced level of funding (\$235,000) due to: (1) positions not being filled at the beginning of the fiscal year, and (2) filling positions at lower than anticipated grade levels.

#### PERSONNEL COSTS

Senator STEVENS. What is involved in the increase from \$2,000 to \$105,000 for "other personnel compensation?"

Mr. AUSTIN. In previous years, the practice of this Office appears to have been to budget a nominal amount, such as \$2,000 in the "other personnel compensation" classification, resulting in an understatement of budgeted costs in this category.

Albeit terminal leave, according to OMB Circular A-12, should be included in the "permanent positions" classification—object class 11.1—we erroneously included this cost in our justification for "other personnel compensation"—object class 11.5. Conversely, we did not include this cost in the "permanent positions" classification.

In addition, the "other personnel compensation" classification includes overtime pay, which we correctly included in our request. Therefore, we understated object class 11.1 and overstated object class 11.5 by the same amount. The fiscal year 1976 actual expenditures are projected to exceed \$100,000 for terminal leave and overtime pay. Therefore, we are requesting \$105,000 for fiscal year 1977.

Senator STEVENS. Why is your request for personnel benefits increasing so sharply—nearly double the 1975-76 increase?

Mr. AUSTIN. Personnel benefits have been underestimated in years past. Our estimate for personnel benefits in fiscal year 1977, as shown in our justification book, reflects a more accurate and realistic estimate of personnel benefits. In the past, a less than actual percentage rate, based only on annual salary compensation—base salary—was computed. Other personnel benefits, such as nonforeign allowances, incentive awards, and the increased cost of the Government's share of employees benefits were not previously included. Experience indicates that actual expenditures have been greater than budgeted estimates in this category. This underestimate is a corollary of computing benefits at an inappropriate percentage rate of personnel compensation.

Simply stated, during fiscal year 1977, the percentage factor for arriving at the estimated cost for personnel benefits will increase to 9.66 percent of personnel compensation cost. Since the total requested personnel compensation for the Office is \$9,368,000, we will need \$905,000 for personnel benefits.

Senator STEVENS. Part of your requested increase of \$238,000 for higher personnel costs is attributed to 40 promotions as well as quality within-grade increases. Why is it necessary to promote some 10 percent of your employees over and above within-grade increases?

Mr. AUSTIN. Since the legal services that are provided by this Office are complex and specialized, it is essential that we retain a staff of qualified and experienced attorneys and support personnel. Promotions which provide the incentive and reward for increasing productivity will enhance our efforts to continue to transform the Solicitor's Office into a fully responsive legal office, capable of dealing with the multitude of legal problems within the Department of the Interior.

If we are unable to provide the levels of compensation commensurate with the levels of expertise exhibited by our personnel, our goals will be compromised and our efforts will have to be redirected toward the hiring of less qualified employees who will require exposure and training in the complexities of our legal work.

In accordance with civil service regulations and current merit promotion practices, position vacancies are advertised with an indication of grade, promotion potential and requirements for consideration of the incumbent ultimately for promotion.

Through on-the-job training, experience, and outside educational opportunities, employees become more proficient and, having expanded their capabilities, often occupy positions which may be reclassified at a level of higher responsibility and grade. The more experienced employee would continually seek advancement elsewhere if we cannot offer incentive within the office.

#### INCREASED TRAVEL COSTS

Senator STEVENS. Your statement says that the \$50,000 noncontrollable increase of costs relating to travel is for maintaining the current level of travel. Yet the justification says that there is a need for increased travel.

Which is right? And if there is an increased need, what is the increased need for travel?

Mr. AUSTIN. The justification statement, which was prepared last fall, stated what was the intention at that time, that there would be increased travel, and it was believed that there would be an advantage in having lawyers travel from the Washington office to deal with cases in the field.

However, there has been a curtailment of travel governmentwide for budgetary purposes. At present there is no intention to increase travel, and the entire \$50,000 will be consumed by increases in travel costs.

In specific, if our level of travel remains the same with roughly three thousand man nights in the field, the increase in per diem of \$8 a day, which has recently been allowed, will consume \$24,000 of the \$50,000.

Transportation costs, particularly airline tickets, have already escalated 6 percent this fiscal year and that applies to roughly a \$200,000 airline ticket bill which amounts to a \$12,000 increase.

The balance of the figure is consumed by the increase in costs of travel other than by air. I understand GSA car rentals alone have increased by 30 percent per day and 85 percent per mile. The entire \$50,000 is to be used for increases in travel costs, with no increase in the rate of travel.

Senator STEVENS. What is the \$8,000 in travel as part of the increased costs of current operations?

Mr. AUSTIN. The additional \$8,000 figure is for moving employees involved in change of duty stations, local travel reimbursement to employees and travel in connection with training.

That is not a part of the ordinary travel budget, and it is in addition to the \$50,000 figure.

Senator STEVENS. I can anticipate that we will receive a great deal of flack over that portion of the budget. Will you give us a detail of your travel needs, specify in one place what you have just told us, and about the increased per diem costs, increase of 6 percent in airline costs, and make it as succinct as you can, because that is where we are going to have trouble, I think.

Mr. AUSTIN. Thank you for alerting us to that, Senator, and we will furnish it for the record.

[The information follows:]

Our fiscal year 1977 travel budget represents approximately a 14.5 percent or \$58,000 increase over our fiscal year 1976 travel allowance.

1. \$24,000 increased per diem cost. This figure is based on the fact that per diem has increased \$8 per travel night over our fiscal year 1976 planned travel budget. During the first 6 months of fiscal year 1976 our attorneys traveled 1,500 nights, which would indicate a total of 3,000 travel nights for the fiscal year giving an increased per diem cost of \$24,000.

2. \$14,000 miscellaneous increases. These miscellaneous increases consist of (1) GSA car rentals have increased 30 percent per day and 85 percent per mile (from \$2.50 to \$3.25 per day; from \$.050 per mile to \$.095 per mile) effective November 1, 1975, as stated in GSA Bulletin FPMR G-116; (2) the increased cost of commercial car rental when GSA cars are unobtainable; and (3) the increased prices of taxi fares during travel.

3. \$12,000 for increased air fare. Actual fiscal year 1975 air fare was \$200,000. According to a check with the Civil Aeronautics Board, a 3 percent general fare increase became effective November 15, 1975; a 1 percent general fare increase became effective February 1, 1976; and a 2 percent general fare increase became effective March 1, 1976. These increases, which were not allowed for in the fiscal year 1976 budget, total 6 percent thus far. A 6 percent increase over our fiscal year 1975 air fare cost (fiscal year 1976 figures are unavailable at present) gives an increased cost of \$12,000.

4. \$8,000 for travel costs not involved with case work travel. This figure consists of approximately \$5,000 which will be incurred under this item for change of duty stations, and \$3,000 for travel expense involved with training and reimbursement to employees for local travel, i.e., taxis utilized on errands and to attend meetings, and privately owned vehicles used for travel on government business.

As shown above, our travel increase consists of four main categories. We strongly believe that by the beginning of fiscal year 1977 these estimated increases will rise to at least one and one-half times our figures. According to the Civil Aeronautics Board figures, general air fare increased 6 percent over less than a 4 month period. By the beginning of fiscal year 1977, this increase could be up another 8 percent, increasing our costs by another \$16,000, based on fiscal year 1975 figures, in just this one category of increase alone.

#### CONTRACTUAL SERVICES

Senator STEVENS. What is this \$165,000 for other services?

Mr. AUSTIN. The other services include, for example, the cost of patent searches—we have patent searches performed on a contract basis.

Senator STEVENS. Then those are contractual services?

Mr. AUSTIN. That is correct, but it also includes other contractual items as well.

Senator STEVENS. In addition to the \$136,000 for contractual services?

Mr. AUSTIN. The increase of \$136,000 is for increased contractual services. The additional \$30,000, as shown in the justification book, is for current level of operations. The \$136,000 includes an increase of \$80,000 for contractual research, such as patent search, to which I was referring. Forty-one thousand dollars is an increase in computer utilization, and \$15,000 is an increase in airplane charter services in Alaska.

Senator STEVENS. Why the Alaska charter increase, when you are using the Office of Aircraft Services up there?

Mr. AUSTIN. The charter services are obtained primarily from the Office of Aircraft Services, which is in the Department of the Interior. The increase is a result of our anticipated travel required by the resource development and Alaska Native claims activity, in addition to the increase in actual per passenger mile charter service.

Senator STEVENS. Do you call that charter service, when you use the offices within the Department of the Interior?

Mr. AUSTIN. Yes, sir. We get billed for it and have to pay for it, just as though we were using a private service.

Senator STEVENS. In your noncontrollable items, you have listed travel as a noncontrollable and increased charter cost as noncontrollable. Those are controllable; aren't they?

Mr. AUSTIN. They are controllable only if you wish to change the current level. This refers to maintaining the current level of activity.

#### SALARIES AND EXPENSES

Senator STEVENS. I see. The pay costs are problems. You do not have any control over that and within-grade salary increases, you do not have any control over that. You do not have any control over GSA costs, but I should think you would have control over travel costs and other costs.

I can understand your concept of maintaining the current level, but I would not show those as being uncontrollable.

Mr. AUSTIN. Salary expenses are, of course, controllable, if you curtail employment. But when we set up these categories, we assumed a continuation of present levels of activity, and we assumed the actual increases in cost resulting from inflation.

Senator STEVENS. Have you had any reorganization within your Solicitor's Office since you took over, Mr. Austin?

Mr. AUSTIN. No, sir, there has not been any.

Senator STEVENS. Do you still have the same divisions?

Mr. AUSTIN. Yes, sir. The divisions are unchanged, and there has been absolutely no change in their area of responsibility.

Senator STEVENS. Why don't you give us a list, for the record, of your Associate Solicitors and Assistant Solicitors who head those divisions, will you?

Mr. AUSTIN. We will be pleased to do so.

[The information follows:]

Our Associate, Deputy Associate and Assistant Solicitors, by Division, are as follows:

Division of Conservation and Wildlife

Associate Solicitor, Michele B. Metrinko

Assistant Solicitor - Fish & Wildlife, Ronald E. Lambertson  
 Assistant Solicitor - National Capital Parks, Richard G. Robbins  
 Assistant Solicitor - Claims, John M. Dargo  
 Assistant Solicitor - Parks & Recreation, David A. Watts

Division of Energy and Resources

Associate Solicitor, Hugh C. Garner  
 Deputy Associate Solicitor, James R. Seffmitt

Assistant Solicitor - Minerals, Frederick N. Ferguson  
 Assistant Solicitor - Lands, John J. McHale  
 Assistant Solicitor - International Law, W. Pierce Elliott  
 Assistant Solicitor - Power, Richard K. Pelz  
 Assistant Solicitor - Water, Ernest London

Division of General Law

Associate Solicitor - Moody R. Tidwell, III

Assistant Solicitor - Environmental Law, Gary L. Bohlke  
 Assistant Solicitor - Territories, C. Brewster Chapman, Jr.  
 Assistant Solicitor - General Legal Services, Timothy S. Elliott  
 Assistant Solicitor - Patents, Donald R. Fraser  
 Assistant Solicitor - Procurement, Justin P. Patterson  
 Assistant Solicitor - Equal Opportunity Compliance, John J. Scott

Division of Indian Affairs

Associate Solicitor - Reid P. Chambers

Deputy Associate Solicitor, Allen K. Palmer

Assistant Solicitor - Alaska Native Claims, Charles M. Soller  
 Assistant Solicitor - General Legal, Duard R. Barnes  
 Assistant Solicitor - Jurisdiction, Taxation, Civil Rights, Hans Walker  
 Assistant Solicitor - Water Rights, Hunting & Fishing, Larry A. Aschenbrenner

Division of Mine Health and Safety

Associate Solicitor, Robert W. Long  
 Deputy Associate Solicitor, John M. Allen

Assistant Solicitor - Admin. Litigation, Thomas A. Mascolino  
 Assistant Solicitor - Regulations and Procedures, Robert H. McPhillamey  
 Assistant Solicitor - Court Litigation, I. Avrum Fingeret  
 Assistant Solicitor - Mine Administration, Donald R. Tindal

## MINES AND MINERALS

Senator STEVENS. Do you still have an Associate Solicitor for Mines and Minerals?

Mr. AUSTIN. There is an Associate Solicitor for Energy and Resources, and an Associate Solicitor for Mine Health and Safety.

Senator STEVENS. Is the Mine Health and Safety all one item, or is it actually the mineral side?

Mr. AUSTIN. They are really responsible for activities in the enforcement of the Coal Act and the Metal Act and it is in the enforcement area, as opposed to the mineral development area.

Senator STEVENS. What I am trying to find out is if there has been any downgrading in emphasis as far as the mineral area is concerned in the Solicitor's Office.

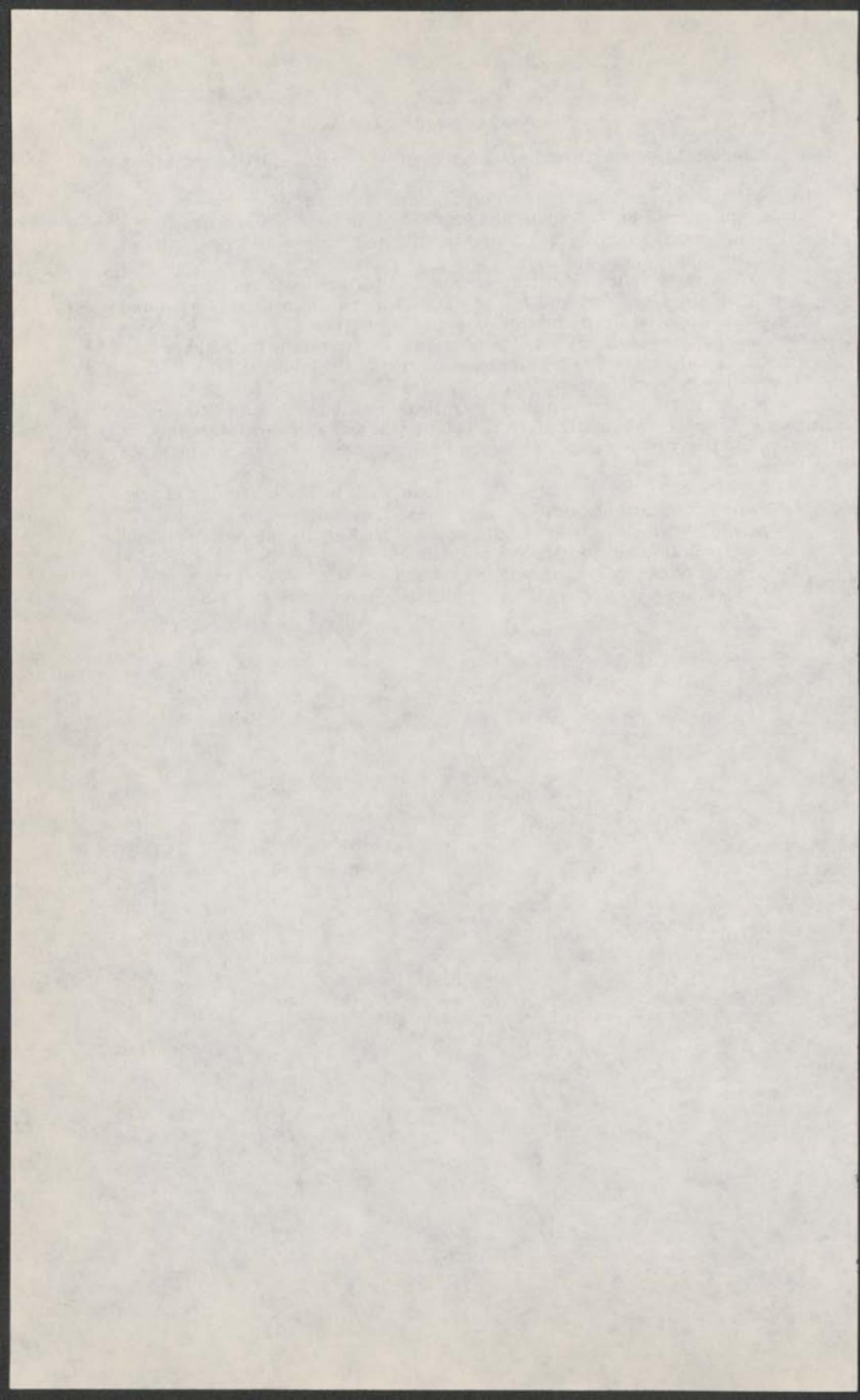
Mr. AUSTIN. Our two largest offices are Energy and Resources and Mine Health and Safety. I believe there has been upgrading as opposed to downgrading, or at least the growth has occurred in those areas.

Senator STEVENS. I appreciate your answers to the questions. There may be some further questions that the staff will deliver to you.

Mr. AUSTIN. We will be pleased to answer them, Senator, and we appreciate your courtesy very much.

Senator STEVENS. Thank you very much.

We will now go to the Office of the Secretary.



OFFICE OF THE SECRETARY

STATEMENT OF JAMES T. CLARKE, ASSISTANT SECRETARY,  
MANAGEMENT

ACCOMPANIED BY:

RICHARD R. HITE, DEPUTY ASSISTANT SECRETARY, MANAGE-  
MENT

STANLEY DOREMUS, DEPUTY ASSISTANT SECRETARY, PRO-  
GRAM, DEVELOPMENT AND BUDGET

MATTHEW N. NOVICK, CHIEF, OFFICE OF SECRETARIAL  
OPERATIONS, FISCAL

FRANK L. SUMAN, BUDGET OFFICER, OFFICE OF SECRETARIAL  
OPERATIONS, FISCAL

DAVID GILBERT, BUDGET ANALYST, OFFICE OF SECRETARIAL  
OPERATIONS, FISCAL

HERMANN ENZER, DIRECTOR, OFFICE OF MINERALS POLICY,  
RESEARCH AND DEVELOPMENT

JAMES R. RICHARDS, DIRECTOR, OFFICE OF HEARINGS AND  
APPEALS

EDWARD E. SHELTON, DIRECTOR, OFFICE FOR EQUAL OPPOR-  
TUNITY

JAMES THURSTON, DIRECTOR, OFFICE OF AIRCRAFT SER-  
VICES

FRANCIS M. WILES, DIRECTOR OF BUDGET, DEPARTMENT OF  
THE INTERIOR

PREPARED STATEMENT

Senator STEVENS. The request for the Office of the Secretary is for \$34.7 million, an increase of \$2.3 million over appropriations to date. The justification has been included in part 1 of the hearing record.

Secretary Clarke, if you would introduce those with you and highlight your statement. The full prepared statement will be included in the record.

[The statement follows:]

Mister Chairman:

The fiscal year 1977 appropriation request for the Office of the Secretary's two principal accounts "Salaries and Expenses" and "Departmental Operations" is \$33,792,000. This amount provides for overall departmental and program direction, administrative management, and selected departmentwide staff functions. Also, Special Foreign Currency funds of \$907,000 are requested to conduct research projects in Poland, Egypt, Pakistan and India. The fiscal year 1977 request for the three accounts represents an increase of \$1,543,000 over the fiscal year 1976 funding levels.

#### SALARIES AND EXPENSES

The fiscal year 1977 appropriation request for the Office of the Secretary, "Salaries and Expenses" is \$21,097,000, an increase of \$1,813,000 over fiscal year 1976. This account supports the activities and operations of the Secretariat which includes the Secretary, Under Secretary, three program assistant secretaries, specialized departmental staffs and administrative functions.

#### Request for Increased Funding

Program increases of 5 positions and \$160,000 are requested in two areas:

- Three positions and \$85,000 for the Office of the Assistant Secretary Fish, Wildlife and Parks to provide for a program analysis capability
- 2 positions and \$75,000 for the Office of Territorial Affairs to strengthen its program and financial management capability.

#### Program Decreases

A decrease of \$38,700 is possible due to the elimination of three offices as budget line items: (1) International Activities, (2) Land Use and Water Planning, and (3) Indian Affairs. The programs and functions of these activities have been assumed by other offices within the Department.

#### Maintain Current Operations

To maintain the current level of operations \$1,508,700 is required. Of this amount, \$284,100 is for additional GSA space costs; and, \$1,224,600 for within-grade step increases, reduction of lapses and other increased costs of operations. In addition, \$183,000 is needed to annualize the pay raise effective October 12, 1975.

#### DEPARTMENTAL OPERATIONS

The fiscal year 1977 appropriation request for the account "Departmental Operations" is \$12,695,000, a net increase of \$317,000 over fiscal year 1976. This account is composed of the following activities:

Office of Hearings and Appeals \$5,655,000 is requested for fiscal year 1977. The increases of \$186,700 includes \$85,000 to annualize five positions granted in FY 1976 for the Alaska Native Claims Activity. The balance of the increase, \$101,700, will cover within-grade step increases, annualize the October 1975 pay raise and provide for the increased cost of space, services and facilities.

Natural Resources Library \$2,284,000 is requested to operate one of the largest library systems within the Federal sector. It

ranks fourth behind the Library of Congress, the National Library of Medicine and the National Agriculture Library. The FY 1977 increase of \$140,900 will provide additional support to a system which contains scientific and technical libraries and information centers.

Johnny Horizon Program Office \$373,000 is requested for fiscal year 1977. The increase of \$67,400 will support the campaign against litter resulting in environmental improvements and moves the program from its unique association with the Bicentennial into the post-bicentennial era.

Office of Minerals Policy, Research and Development \$1,602,000 is required to support this newly consolidated organization. It is made up of the old Office of Minerals Policy Development and the Office of Research and Development and is under the direction of the Assistant Secretary for Energy and Minerals. This Office is the Focal Point for the Federal Government's Minerals Policy Program, and the principal Secretarial Office dealing with Minerals, Research and Development in the Department of Interior. The increase of \$118,200 will maintain the current level of operations.

Office of Aircraft Services \$1,625,000 is requested for FY 1977, a net decrease of \$657,000 from the FY 1976 request. Included in this request are three replacement aircraft to be purchased for the Alaska operations at a total cost of \$430,000. The balance of the request will annualize the cost of positions granted in 1976 and maintain the current level of operations.

Emergency Preparedness \$465,000 is requested to directly fund emergency functions assigned to the Department of the Interior which include electric power, water, minerals, solid fuels, petroleum and gas responsibilities. The increase of \$177,100 provides five new positions and support at \$125,000, and \$52,100 to maintain the current level of support.

Outer Continental Shelf \$691,000 is requested to continue Departmental review and implementation of an Outer Continental Shelf leasing program. The increase of \$283,700 will provide one new position, support for the Joint Federal State Advisory Board and provide for additional OCS studies & surveys.

#### SPECIAL FOREIGN CURRENCY

The fiscal year 1977 appropriation request for Special Foreign Currency is \$907,000, a net decrease of \$587,000. \$600,000 is proposed to be used for new programs and studies on endangered species in India, Pakistan and Egypt; \$256,000 is required for India to initiate new reclamation and survey projects and \$51,000 is needed to continue existing Polish Programs. The funds are on deposit in the Treasury and are used on research projects of mutual benefit to the U.S. and the participating countries.

#### SUMMARY

This statement covers, in general terms, the programs for which we are requesting funds for fiscal year 1977. Representatives of the Department, with expertise in the specific program areas, are here with me today to provide more detailed information. We will be happy to answer any questions you or the Committee may have.

## INTRODUCTION OF ASSOCIATES

Secretary CLARKE. Thank you very much, Mr. Chairman. I will do so. Starting on my far right, we have the Acting Assistant Secretary of Program, Development and Budget, Stan Doremus. To my immediate right, Dick Hite, my Deputy, and on my left, Dave Gilbert, who is a budget analyst in the Office of the Secretary.

In addition to that, Mr. Chairman, we do have several other individuals who are here as well, and if you have questions in their particular areas, we will invite them to the table to respond.

## PROGRAM HIGHLIGHTS

In deference to your request, I will highlight our statement. The fiscal year 1977 appropriation request for the Office of the Secretary's two principal accounts, Salaries and expenses and Departmental operations, is \$33,792,000.

This amount provides for overall departmental and program direction, administrative management, and selected department-wide staff functions.

Also, special foreign currency funds of \$907,000 are requested to conduct research projects in Poland, Egypt, Pakistan and India.

The fiscal year 1977 request for the three accounts represents an increase of \$1,543,000 over the fiscal year 1976 funding levels.

In Salaries and expenses, we are requesting a program increase of five positions and \$160,000 in two areas—three positions and \$85,000 for the Office of Assistant Secretary, Fish, Wildlife, and Parks to provide for a program analysis capability, and two positions and \$75,000 for the Office of Territorial Affairs to strengthen its financial and program management capability.

In Departmental operations, our request is \$12,695,000, a net increase of \$317,000 over fiscal year 1976. This account is composed of the following offices: The Office of Hearings and Appeals, with a request of \$5,655,000; Natural Resources Library, with a request of \$2,284,000; the Johnny Horizon Program Office, with a request of \$373,000; the Office of Minerals Policy, Research and Development with a request of \$1,602,000; Office of Aircraft Services, with a request of \$1,625,000; Emergency Preparedness, with a request of \$465,000; and the Outer Continental Shelf Office, which is requesting \$691,000.

For special foreign currency, the request is \$907,000, a net decrease of \$587,000 from 1976. \$600,000 is proposed to be used for new programs and studies on endangered species in India, Pakistan and Egypt.

Mr. Chairman, this is a highlight of our request for 1977, and we would be pleased to answer any questions you might have.

## CONGRESSIONAL REDUCTIONS

Senator STEVENS. You had some congressional reductions this year. Have those reductions affected your overall operations in any way?

Secretary CLARKE. Yes, sir, they have. In fact, in our 1977 request we are asking within the immediate Office of the Secretary and Under Secretary for restoration of those funds.

We were able to survive and are able to survive for this fiscal year in those two offices, because of the transition of the new Secretary and Under Secretary. They were not fully staffed. They will be fully staffed in 1977, we expect.

The funding levels that are in the 1976 budget are simply insufficient and in both instances we are asking for approximately \$100,000. It would be \$200,000 total, to restore what was cut by the Congress last year. In other areas, there have been effects as well.

We have eliminated the offices, or abolished the offices as we were requested. For example, the Office of Land Use and Water Planning, Office of International Activities and the small Office of Indian Affairs all have been abolished, or will be in the next several weeks.

Those activities are going to be absorbed for the most part by other existing offices, and within those offices there will be some diversion of people in order to pick up the new responsibilities.

Senator STEVENS. Did you have to reduce employment because of appropriations?

Secretary CLARKE. Yes, sir. At the moment we have not had to RIF anybody. We have been able to find people additional jobs. The actual employment ceiling for 1976 has been reduced by 28 positions, which will be the annual effect, Mr. Chairman.

#### NEW POSITIONS

Senator STEVENS. In your justification for the Office of the Secretary, you have six specific new positions, five under salaries and expenses and one under departmental operations. Yet your statement identifies five more, all under the Office of Emergency Preparedness. Are those the same positions?

Secretary CLARKE. Yes, Mr. Chairman. In preparing for testimony in the House, we examined, again, the language of the appropriations bill for 1976 and our request. The moneys that were appropriated for the current fiscal year provided annual funding for only 10 positions in Emergency Preparedness.

We felt it was better to indicate to the Congress that the appropriation that had been provided, which represented a cut of approximately \$200,000, was not sufficient to fund the 15 positions that we could have funded on a partial year basis.

As a result of that, rather than attempting to defend those positions as an annualization of costs, what we are describing to you is that with our existing budget level we can fund 10 positions in Emergency Preparedness.

Our request, which is before you, for fiscal year 1977 would fund 15 positions, and the 5 new positions to which you refer are those new positions.

Senator STEVENS. The justification refers to reduction of lapses in several areas. Is that what you are talking about now?

Secretary CLARKE. No, sir.

Senator STEVENS. What is that, and how does it relate to this 15 position increase in average paid employment?

Secretary CLARKE. I'm sorry, Mr. Chairman---

Senator STEVENS. In your personnel summaries, you reflect a 15-position increase in average paid employment. How does that relate to this reduction of lapses?

Mr. HITE. Mr. Chairman, the reduction of lapse is an annualization figure, showing the effect of full-year employment of 15 additional positions.

What happened in the Emergency Preparedness area, sir, is somewhat analogous to the discussion you had with the Solicitor. The \$200,000 reduction, which we received last year in Emergency Preparedness, would have allowed us to fund 15 positions on a partial-year basis in 1976.

We could not have funded full-year costs of 15 positions for the entire fiscal year 1977. We, therefore, felt it was more straightforward, Mr. Chairman, to change our justification, indicating that we could support 10 positions only with the 1976 funding, and indicate to you that the funding we are requesting in 1977 has the impact of 5 additional positions.

Senator STEVENS. What grade level and what types of the five new positions are you requesting under Salaries and expenses?

Secretary CLARKE. Three positions are for the Office of the Assistant Secretary—Fish, Wildlife and Parks. We plan to hire program analysts at the GS-15, 14 and 9 level. The other two positions are for the Office of Territorial Affairs, a GS-15 assistant for special programs and projects and a GS-14 staff assistant for Micronesian affairs.

#### PERSONNEL DATA

Senator STEVENS. I am told your personnel data at the end of each activity appears to conflict with the increases you are requesting. The personnel summaries show a total of 1,050 permanent positions, no change from 1976, while your detail of permanent positions shows 1,332 permanent positions, down 28 from 1976.

Which is correct?

Mr. HITE. Sir, I believe the detailed personnel summary encompasses all the positions in the Office of the Secretary.

Mr. GILBERT. Mr. Chairman, the 1,332 figure is the end-of-year employment ceiling that we have in the Office of the Secretary. It reflects the actual onboard employment as of the end of the fiscal year. As part of the President's move to restrict Federal employment, all Federal agencies have an employment ceiling they must live with as of the end of the fiscal year.

This is the Office of the Secretary's portion of the departmental ceiling that has been assigned to us by OMB.

Senator STEVENS. How does the 1,050 relate to the 1,332?

Mr. GILBERT. I am sorry, I do not find the 1,050 you are referring to.

Senator STEVENS. Personnel summary total for both activities and permanent positions.

Mr. GILBERT. The difference in that figure would be those positions which are not in the appropriated fund. The personnel summary includes positions funded by the working capital fund, and the reimbursable positions which are not reflected in the justification submitted to Congress under the total employment ceiling of the Office of the Secretary.

Senator STEVENS. Explain that. Does that mean you have 1,050 more than the 1,332?

Mr. GILBERT. The 1,050 is the total of the two appropriations, Salaries and expenses, and Departmental operations. In addition to that, we have positions in the working capital fund and reimbursable positions which would total the 1,332 positions.

Senator STEVENS. Again, give us a short statement for the record, so that if we run into any problem, we can answer it.

Mr. GILBERT. Yes, Mr. Chairman.

[The information follows:]

The Personnel Summaries for the direct account reflect a total of 1,050 positions requested for fiscal year 1977. This figure is made up of "Salaries and Expenses"—663 Direct and 50 Reimbursables, and Departmental Operations—337 Direct.

The Detail of Permanent Positions represents a consolidation of all positions paid from funds available to the Office of the Secretary from all sources including the 1,050 allocated to the Direct accounts, 300 Working Capital Fund positions, 2 Consolidated Working Fund, and 67 Job Corps positions for a total of 1,419 positions. These positions are reconciled to the OMB imposed ceiling of 1,332 permanent positions by 87 vacancies anticipated on June 30, 1977.

#### MAINTAIN CURRENT LEVELS

Senator STEVENS. With adjustments for pending supplementals the total increase for the Office of the Secretary amounts to about \$1.5 million. Much of this increase is identified only as cost increases for maintaining current operations levels.

The narrative detail often uses the term "other support costs" in explaining cost factors. How much of this maintenance of current operations can be attributed to inflation and how much to actual program expansion such as additional travel and increased employment?

Secretary CLARKE. Mr. Chairman, we will provide for the record a detailed breakdown of those increases.

[The information follows:]

#### SALARIES AND EXPENSES—MAINTAIN CURRENT LEVEL OF OPERATIONS

1. Increased space costs	\$284,100
(6% GSA rate increase, addition of Washington Computer Center from Geological Survey, and other adjustments.)	
2. Annualize cost of fiscal year 1976 positions	310,000
(Secretary's immediate office, Under Secretary and management areas.)	
3. Within-grade increases, promotions	346,000
4. Reduction in lapse <sup>1</sup>	300,180
5. Travel	103,700
(Per diem increase, inflationary impact.)	
6. All other elements of expense	164,720
(Communications, printing, other services, supplies, equipment.)	
Total	1,508,700

<sup>1</sup> Provides 15 additional man-years of employment within existing ceilings. The remaining amount will support the present staff and accommodate the impact of inflation in fiscal year 1977. No program expansion costs are included in this request.

Secretary CLARKE. Let me summarize in this fashion: Of the \$1.5 million to which you refer, \$950,000 is salary or personnel related.

Those would all be in-grade increases, reduction of lapse, to which Mr. Hite referred before. In addition, there is a request for travel increase of \$104,000. The next largest item is for rent, communication and utilities.

The principal item here being an increase in our GSA space costs. One hundred and seventy-five thousand dollars in 1977 in space costs, which appeared in the Geological Survey's budget for 1976 for the Washington Computer Center, is a part of this budget in 1977.

It merely represents where that \$175,000 is. The total cost in GSA space charges on a year-to-year increase is \$284,000. The remainder of the costs from year to year are relatively minor, printing costs increases of \$10,000, other services, which are a variety of things, \$71,000, supplies, \$12,000 and equipment, \$19,000.

We did not break this out in terms of which of those costs are controllable or noncontrollable, but if the committee is interested we will prepare that analysis and provide it for the record.

Senator STEVENS. I think a short statement as to the two categories would be helpful.

#### TRAVEL COSTS

Your travel costs will exceed \$1.5 million, about 5 percent of your total funding for the two accounts. Isn't that rather high?

Secretary CLARKE. Mr. Chairman, the travel cost increase represents in Salaries and expenses a 12-percent increase, and for Departmental operations, an 8-percent increase.

There are two factors that account for this. One, we are experiencing, like all Federal agencies, an increase in the cost of the trip, be it per diem expenses or in the actual transportation itself. Part of that increase reflects our expectation of those increased costs in 1977.

Senator STEVENS. You mean you have an inflation factor built in there?

Secretary CLARKE. Yes.

Senator STEVENS. How much is it?

Secretary CLARKE. We can break that out for you. The reason I hesitate is that I was about to say that certain costs are directly attributable to increased travel, and we have not precisely broken that down.

But for the Office of Equal Opportunity, for example, we have built in additional travel for equal opportunity activities related to the trans-Alaska pipeline. We have also built in additional travel for additional work on environmental statements.

In the Office of Territorial Affairs we have built in an additional \$13,000 for travel, and in the Audit Office we have increased our travel estimate by about \$30,000, which reflects our need to move further from the regional offices to do audits.

Last year, because of budget constraints, we did a lot of our audit work in the areas immediately surrounding the several field offices and it is now necessary for us to go to other regional offices for the various Bureaus further away.

So a portion of the \$100,000 increase is directly attributable to areas where we believe increased travel is an absolute necessity.

We will break out, if the committee is interested, those costs which are attributable to our estimate of inflation and those which are a reflection of the increased travel requests.

Senator STEVENS. I would do it, if I were you. Again, I would say I think this is the area where we will be vulnerable this year. There is an extracurricular activity going on around the country this year, and some of my colleagues are going to suspect that somebody is traveling for other than official business, if you do not really pin it down as to why you need it.

Mr. HITE. Mr. Chairman, I think the table that we can supply you for the record will point out that the two most heavily impacted offices are our centralized Equal Opportunity Contract Compliance and Audit Investigatory element, which is a central element of the Department. Travel is integral to accomplishment of these two missions.

Secretary CLARKE. We will follow your advice, Mr. Chairman, and will provide it for you.

[The information follows:]

TRAVEL			
Activity	Net change from fiscal year 1976	Inflation increase	Travel increase
Office of the Secretary .....	+6,000	3,000	3,000
Under Secretary .....	+3,000	3,000	-----
Field Coordination .....	+2,000	2,000	-----
Communications .....	+600	600	-----
OEO .....	+20,000	4,000	16,000
A/S Congressional and Legislative Affairs .....	+2,000	2,000	-----
A/S Program Development and Budget .....	+10,000	3,000	7,000
A/S Energy and Minerals .....	+3,000	3,000	-----
A/S Land and Water Resources .....	-1,100	-----	-1,100
A/S Fish and Wildlife and Parks .....	+7,000	2,000	5,000
Office of Territorial Affairs .....	+13,000	2,000	11,000
A/S Management .....	+1,500	1,500	-----
ADP .....	+2,000	2,000	-----
Audit and Investigation .....	+38,600	8,600	30,000
Management Operations .....	+2,000	2,000	-----
Personnel Management .....	+4,000	4,000	-----
Management Services .....	+2,000	2,000	-----
	+115,600	44,700	70,900

Inflationary increases relate directly to the increased per diem rates and to the higher cost of travel and transportation over last year. Travel increases are program related and necessary for mission accomplishment in such areas as contract compliance, audit and Territorial Affairs.

#### OFFICES ABOLISHED IN FISCAL YEAR 1976

Senator STEVENS. What about those three offices which were not funded? What was the funding for those in 1976? Isn't it greater than the amount of reduction that you show?

Secretary CLARKE. The funding provided in fiscal year 1976 for the three offices was \$38,700.

Senator STEVENS. Were expenses any greater?

Secretary CLARKE. Yes, sir.

Senator STEVENS. How much were the expenses? You operated under continuing resolution for some time; didn't you?

Secretary CLARKE. That is correct, Mr. Chairman. By the time the committee report was issued, it was in late December, and we are having to absorb this year in excess of 50 percent of the annual expenses of those three activities.

Under the terms of that continuing resolution, and with the knowledge that the House, by their action in July, had eliminated those offices, we put very tight clamps on all expenses, especially discretionary costs, such as travel.

We did not RIF those people, and we did incur those salary costs for the first half of the year. We are having to absorb those within our 1976 funding base.

#### INCREASES RELATED TO CONGRESSIONAL CUTS

Senator STEVENS. How much of this increase for salaries and expenses is related to the congressional cuts, reductions for the current year?

Secretary CLARKE. Are you referring to how much of our dollars are related to annualized positions?

Senator STEVENS. No; to trying to restore the 1976 reductions. You had \$21 million for salaries and expenses, an increase of \$1.8 million. Are you attempting to restore congressional reductions for the current year?

Secretary CLARKE. Yes, sir, in the Office of the Secretary and Under Secretary, we are asking for \$100,000 or a total of \$200,000, which is an effort to restore the 1976 cut.

Senator STEVENS. How many positions would that represent?

Secretary CLARKE. Roughly, six to seven.

Senator STEVENS. What are they; what kind of positions?

Secretary CLARKE. In our request we did not indicate what would be eliminated if they were provided. In the Office of the Secretary there were 17 positions funded.

Senator STEVENS. You mean you need that money to maintain the people onboard?

Secretary CLARKE. In fiscal year 1977, yes, sir. We were able to do it in 1976 because we had vacancies as a result of transitions among several secretaries. In the Under Secretary's office, we had a vacancy for a considerable period of time.

There are 22 positions in our fiscal year 1976 base. The 1976 cut did not eliminate positions, it was merely a dollar cut. Our request is to maintain the positions that were in our fiscal year 1976 submission before the cut.

To do that, these are not just to maintain operations on a reduced base, but to do that we required an additional \$200,000—\$100,000 for each of the two offices, the Secretary's Office and Under Secretary's Office.

Senator STEVENS. Have you shifted any new people into that area in this current fiscal year?

Secretary CLARKE. There have been a number of changes, yes, sir.

Senator STEVENS. Any increased positions?

Mr. HITE. No, sir. For almost 5 months, Mr. Chairman, we were without a Secretary and Under Secretary. Some staff positions were also vacant. Were it not for this situation, we would not have been able to survive in these two offices with the \$100,000 cut.

These are the two areas for which we feel compelled to come back to you and ask for restoration.

Secretary CLARKE. We are not, however, coming back and asking for restoration in the other offices. For example, several offices have been eliminated.

We think the congressional intent is clear, and we are attempting to live with it.

#### OFFICE OF EQUAL OPPORTUNITY

Senator STEVENS. You say, under the Office of Equal Opportunity, you have additional requirements that you are unable to meet and that there have been changes in your review and technical assistance program and reductions in the number of compliance reviews.

What will the requested increase of \$192,000 accomplish?

Secretary CLARKE. I think I will have Mr. Ed Shelton, the Director of that Office, come to the table. While he is doing that, let me indicate that there are no new positions provided in this budget for his Office.

Second, the increase on a year-to-year basis is approximately 8 percent, which is, for the most part, keeping with this current status, with one exception.

As I previously indicated, we have a budget for additional travel, as related to the pipeline in Alaska. For the most part, the remainder of the expenses merely continue his Office at the operating level which was established in 1976.

Senator STEVENS. What is the \$192,000 for, Mr. Shelton?

Mr. SHELTON. It is an increase in operational costs, because no additional positions were granted. Increased cost of travel will consume a great portion of this increase. Roughly 50 percent of my staff travel 50 percent of their time.

There is no way for us in contract compliance, or in the Federal assistance area under title 6 to accomplish the workload required without travel.

For example, in our title 6 program we are delving deeply into 9 of 80 Federal assistance programs listed under our regulations. Which means that in actuality my people under title 6 are covering 2 percent of the identified workload. In the past, we have been able to do roughly 80 reviews of Federal assistance under the 9 areas cited.

Up to this point we have been involved in what we call the educational phase. Now we are moving toward the enforcement phase of title 6, which means that instead of one person going out on a review we will have to send two, one as a back-up, which means we are going to cut our overall review program 50 percent, from 2 percent to 1 percent. We feel that we have to do this, because in the final analysis enforcement and getting the people to do what is required by the law is our first responsibility.

In the last year we have been able to accomplish such things as getting more minorities and women placed on planning boards and commissions which we think will bid fair toward making the programs more amenable to the concerns of minorities and women.

That is the title 6 aspect. In terms of our contract compliance responsibilities, we have been able to get back pay for women and minorities who are affected by the vestiges of past discrimination.

I want you to know that in terms of our total contract compliance responsibilities, we have taken positions out of contracts and put them into our Alaska 403 responsibility, as relates to the pipeline. I think we have done this with remarkable success in terms of doing what is required under section 403 of the Pipeline Authorization Act.

We are pleased with this, in that we were able to provide contracting opportunities for minorities on the pipeline to the tune of better than \$300 million. We have provided job opportunities for women to the tune of roughly 2,500.

Half of these women are working in occupational categories where women have never worked before. By the same token, we have been able to bring to the mining industry women who are actually going into the coal mines doing the same kinds of jobs as males.

I think that we have accomplished much with the manpower we have had in the past. We must recognize however that every time legislation is passed such as the Freedom of Information Act, I must take resources out of present resources. For example, I have to take 1 man-year out of contract compliance just to take care of the Freedom of Information activities.

At the same time, when we get into our enforcement aspect of the program, every time we have to sit in on a law case, or go before judicial bodies, we are taking resources out of the program that would have been used in a productive capacity.

#### OEO TRAVEL INCREASES

Senator STEVENS. You have been traveling a great deal to Alaska. Do you anticipate an increase? The pipeline is going downhill now. Employment will be less this year than last year.

Why would you have an increase in travel?

Mr. SHELTON. We still have the responsibilities for reviewing all segments of that pipeline in terms of the commitments made under stipulation 29 of the Pipeline Authorization Act.

Senator STEVENS. But the employment is down some 4,000 people this year. Why would you go more this year than you did last?

Mr. SHELTON. It seems to me we have a responsibility of seeing what is going on on some kind of timely basis. At present we are trying to get into the camps once every 3 months, which means there is a lot of planning to be done.

We have a lot of complaints that come to us as a result of the pipeline having been built. Just yesterday I signed off on roughly 15 complaints of discrimination for failure to pursue—complaints as they relate to minorities, who feel that they have been discriminated against in terms of getting contracts in the building of the pipeline. Some of these we have dealt with, and others are still pending. So there is a lot of travel remaining to be done, insofar as that pipeline is concerned.

Secretary CLARKE. Mr. Chairman, I think there are a couple of other points that might clarify your question as well. One is that, as Mr. Shelton has indicated, in order to provide the kind of coverage required under section 403 of the act, he has been diverting resources away from his other responsibilities.

This attempts to try to make him a little well in that regard. Second, the bulk of the \$192,300 to which you refer, are personnel costs. Twenty thousand dollars is for travel, and \$10,000 is for the cost of additional computer services for data that is required.

In that personnel cost, \$22,000 relates specifically to the annualization of the pay raise effective last October. The remaining \$100,000 deals with what we expect would be a reduction in lapse.

What we mean by this is that larger offices, like the Office of Equal Opportunity and the Audit Office, have experienced a fairly high turnover of people because of the nature of the work, and it requires considerable travel. As a result of that we do not have, or have not had in the past, full year funding for all the positions. As time goes on, we are seeing a reduction in the turnover.

So part of the \$100,000 to which I referred relates to our expectations that we will have less reduction in lapse by virtue of less employee turnover.

Senator STEVENS. Thank you very much, Mr. Shelton. I think I understand the situation.

#### INTERNATIONAL ACTIVITIES POSITIONS

With regard to the Office of International Affairs, you have three positions to be transferred to the Office of Policy Analysis, but that office does not reflect any increase. Why?

Secretary CLARKE. As I indicated before, Mr. Chairman, we are attempting to live within the intent of Congress. The Office of International Activities was abolished, by virtue of the Appropriation Act last year.

We are taking the necessary steps to implement that decision. At the same time, on a completely unrelated event, we have a requirement that comes from the Department of Treasury to provide staff support, both in the Office of the Secretary and our various bureaus for some Saudi-American projects currently under way. Rather than RIF-ing several of the people who are in that Office, we are using those people who are skilled in the kind of work required to handle this Saudi-American activity.

There are no positions nor dollars provided in our budget request, because the money comes to us from the Department of Treasury. It is a reimbursable arrangement, both positions and dollars. The scope of their activities will be dictated by our requirements under that international agreement.

Senator STEVENS. Where is the funding and the personnel for international affairs in this budget?

Secretary CLARKE. There is none.

Senator STEVENS. What do you call this work with the Saudis?

Mr. HITE. These funds are conveyed to us from the Department of Treasury, Mr. Chairman, on a reimbursable basis. We have quite a bit of documentation which we would be glad to provide.

It is consummated between the Department of State, Department of Treasury and the government of Saudi Arabia.

Senator STEVENS. We do not need it? There is no request here for international affairs?

Mr. HITE. No, sir, there is none.

## ASSISTANT SECRETARY—FISH, WILDLIFE AND PARKS

Senator STEVENS. Three positions and \$85,000 you state you want for analysis capability under the Assistant Secretary for Fish, Wildlife and Parks. Why do you need three new people on top of what they already have?

Secretary CLARKE. This is an effort to provide to the Assistant Secretary for Fish, Wildlife and Parks the same capability that his counterparts in Land and Water and Energy and Minerals enjoy.

Senator STEVENS. Is this not just restoring the land and water group that you just abolished?

Secretary CLARKE. No, sir. Completely unrelated.

Mr. HITE. Those people functioned under the Assistant Secretary for Land and Water, Mr. Chairman, and this is totally unrelated.

Secretary CLARKE. The Assistant Secretaries for Land and Water and Energy and Minerals have a small analytical capability. We expect each of those program Assistant Secretaries to be advocates of their program areas. We also expect that they would have some independence and not be totally dependent on their respective bureaus for policy positions which they take.

We have provided in prior years, and in the current year, requests in both Energy and Minerals and Land and Water for this capability of the three positions to which you refer; Fish and Wildlife and Parks is to give that Assistant Secretary the same treatment that the others have.

Senator STEVENS. I was under the impression that they have been doing a pretty good job. I have seen a lot of things that have come out of the Assistant Secretary's office.

Who has been doing it in that area, analysis of program?

Secretary CLARKE. You are referring to the work that has come out of Nat Reed's side of the house?

Senator STEVENS. Yes.

Secretary CLARKE. It is Mr. Reed's request that he have this. He does feel that he does not have all the technical resources—

Senator STEVENS. But who has been doing it in the past? He has been doing a lot of work.

Mr. HITE. I believe a considerable amount of this analysis is done within the bureaus. To some extent it has been a drain on the Assistant Secretary for Program Development and Budget.

This capability ceased to exist in the Fish and Wildlife Office, sir, when reorganization Plan 4 was implemented. We lost the Bureau of Commercial Fisheries, the Office of Commissioner of Fish and Wildlife was abolished, and in the determination order that was written, we lost a number of spaces.

Secretary Reed is attempting to function, and I am sure has functioned, in a quality fashion without these positions but he feels, and Mr. Doremus can verify it, that this capability will significantly enhance his analysis.

## TRANSFER OF BUREAU POSITIONS

Senator STEVENS. Why didn't he transfer some people from his bureau who have been doing it for him anyway? We all know it has been done in the past.

Mr. DOREMUS. Mr. Chairman, a good deal of the policy analysis work that has been performed has depended on the Office of Policy Analysis for staff support, under the Assistant Secretary for Program Development and Budget.

We have been delighted to do that, and cooperation has been excellent. But I would say as increased activity in minerals, coal, oil and gas, and in the major policy issues with which the Department is confronted have mounted, it is increasingly difficult for our office to supply that kind of staff support to the Assistant Secretary for Fish, Wildlife and Parks. His own bureaus, Fish and Wildlife Service and the Park Service, particularly, are under extreme constraint, as I think you are aware, in the personnel area.

Senator STEVENS. They are under extreme constraints?

Mr. DOREMUS. Yes, sir.

Senator STEVENS. My memory is we gave Parks—how many did we give them in the current year?—we gave them 400 new people last year. That is not extreme constraints. It is the only area I know in the Department that is going up and up and up.

I do not understand why you need three positions to do something already being done. I can understand why you would want to transfer them to the Assistant Secretary's office. But I cannot understand why you would ask us for three new positions. That is the one area that we have given more new positions since I have been on this committee than any other area of the Department.

It seems to me that is a little over-reaching, to say you need three positions because he needs analysis capability. Why don't you use some of those 400 to do that?

Mr. DOREMUS. Mr. Chairman, the workload, particularly in the National Park Service, as you know, has increased tremendously over the last few years. Twenty-three new additional units in the Park System. You are quite right, that the Park Service is the only bureau within the Department to enjoy personnel increase proposal for fiscal 1977. But even with the additional 400 positions proposed, they will be operating at the margin, if you will, to maintain and operate the park system at the level we would all like to see it operated.

Senator STEVENS. Is there an increased request for the Park Service, in addition to the 400 they got last year, or did I misunderstand you?

Mr. DOREMUS. No, you are correct. The 400 have been added for fiscal year 1976 and are to be continued for fiscal year 1977.

Senator STEVENS. It does seem to me that the Assistant Secretary should have been entitled to 3 out of 400. I just do not understand why you did not use them.

The balance in that increase is missing, as far as I am concerned, and there was plenty of opportunity to get those people out of the 400, if you really need them.

#### TERRITORIAL AFFAIRS

What about the two positions for Territorial Affairs, to improve financial management and administrative control? Who is staffing those functions now?

Secretary CLARKE. Mr. Chairman, there have been several studies on the activities going on in the Trust Territories. The Senate Interior Committee conducted oversight hearings. We had our own internal audits and studies.

There is no disagreement about the conclusions. Those conclusions are that we do have some deficiencies in the day-to-day operations and the oversight, which has been exercised up to this point by the Office of the Secretary.

This modest increase is an effort to try to provide a couple more qualified people to work within the Office of Territorial Affairs, to provide this increase in oversight.

From my side of the Office of the Secretary, I have computer programmers and systems analysts out in the Trust Territories now, trying to help them improve their accounting and financial management reporting systems. One of the fundamental problems we had, and I think the Congress has experienced in the past, is that we have not had the kind of budgetary control, and we have all been surprised on occasion as the numbers seem to change over the course of the fiscal year.

We are trying to get a better control, from a budgetary standpoint, and expenditure standpoint, over the various activities.

Senator STEVENS. Do you think those increases will help you correct the problems that were pointed out in your own oversight study and investigation?

Secretary CLARKE. We do. And in addition to that, we have transferred one position out of the Office of Administrative Management side, secretarial operations, to work physically in that office. His prior responsibilities related principally to the Territories, and we have physically transferred him to focus his attention full time on those matters.

Senator STEVENS. What is the grade level and job title of the position transferred from the Fiscal Services Division?

Secretary CLARKE. Mr. Chairman, we transferred a budget and accounting analyst, GS-13. The incumbent has been involved in territorial budgets for the past several years. The position has been upgraded to GS-14 by the Director, Office of Territorial Affairs.

Senator STEVENS. What about the \$13,000? What is that for?

Secretary CLARKE. Is that a year-to-year increase you are referring to, Mr. Chairman?

Senator STEVENS. Yes. What is the need for that?

Secretary CLARKE. If you are referring to travel, as I previously indicated, in looking at the travel dollars available, and the number of trips we felt would be necessary for the Director of that office and his key personnel, we did not believe there was sufficient travel monies.

Senator STEVENS. Will this help you meet the new responsibilities under the Marianas Commonwealth status?

Secretary CLARKE. I believe the answer is yes, from the Office of the Secretary's standpoint. There are also appropriations directly related to the transition, something in the magnitude of \$1.5 million, which is specifically earmarked for that.

Senator STEVENS. Where will these two positions be?

Secretary CLARKE. In Washington, in the immediate office of the Office of Territorial Affairs.

Senator STEVENS. I think that is needed. That area has certainly been downgraded, and it is unfortunate.

#### DEPARTMENTAL OPERATIONS

I am told that the request for departmental operations is \$12.7 million, an increase of \$300,000.

Because of a nonrecurring item the actual increase is \$1.7 million. How much of that \$1.7 million is to offset congressional reductions that we applied to the current year?

Secretary CLARKE. There is none, Mr. Chairman. To elaborate on that comment, as I previously indicated in emergency preparedness we have asked for five additional positions.

Senator STEVENS. I will get to that in a minute.

Secretary CLARKE. In addition to that we are asking for an additional position in the Outer Continental Shelf program.

#### OFFICE OF AIRCRAFT SERVICES

Senator STEVENS. Aircraft services. Last year we discussed in detail the estimated savings at that time of \$25,000 annually by owning a twin-engine turbine aircraft as opposed to chartering out. Would you, for the record, justify that savings and give us an evaluation of the operation of that aircraft? In other words, did you save \$25,000?

Secretary CLARKE. I would like to have Jim Thurston, the Director of that Office, come to the hearing table.

Senator STEVENS. Mr. Thurston, did you save \$25,000 by that twin-engine turbine aircraft?

Mr. THURSTON. Mr. Chairman, I have not saved a nickel yet because I have not bought it.

Senator STEVENS. You have not bought it?

Mr. THURSTON. No, sir. As you are aware, the fiscal year 1976 appropriation just got passed not too long ago, and we have not progressed to the point of the procurement of that item.

Senator STEVENS. When do you think you will have it onboard? Are you still going to buy it?

Mr. THURSTON. I expect to, sir. Frankly, right at the present time, our activities in some other areas have taken precedence with respect to our priorities. We expect to be doing a procurement on that item later this spring.

Senator STEVENS. That is the Convair you are talking about?

Mr. THURSTON. No, sir. It is a twin-engine turbine aircraft in the Beechking-Aire category or Aero Commander category.

#### REPLACEMENT AIRCRAFT

Senator STEVENS. You have three new aircraft here for purchase this year, a Cessna 206, a Cessna 185, and a light fixed-wing, twin-engine aircraft. Are those replacements?

Mr. THURSTON. Yes, sir, they are all replacements.

Senator STEVENS. Are you upgrading those? What about the light fixed-wing you are replacing?

Mr. THURSTON. Are you asking am I replacing—

Senator STEVENS. Are you replacing the same category is what I am asking.

Mr. THURSTON. Yes, sir. If I could elaborate for a moment. On the light twin, I would be replacing an aircraft of the same category. With respect to the Cessna 206 aircraft, I am embarking on an effort gradually to replace the Beaver aircraft that had been operated over the years in Alaska, and my primary reasons are that the Beaver is a highly expensive aircraft for us to maintain. We are also having problems in that some parts have to be manufactured and I am required to hold fairly large inventories of parts and associated equipment to maintain that fleet.

I would like to attempt to phase out the Beavers over the next 2 years, replace them with the Cessna 206 type aircraft which has, for example, powerplants compatible with the Cessnas we are already operating and thus further reduce inventories and streamline the operation.

Senator STEVENS. You want two additional aircraft from surplus for replacements?

Mr. THURSTON. That is really a contingency request, with respect to some of the operations that we find ourselves involved in. Right at the moment I have been requested by the Bureau of Land Management in Alaska to fulfill what they sincerely believe is a need, for example, for a C-123 type aircraft for aerial cargo-type delivery of bulk fuel and various other cargo-type work primarily associated with fire programs.

#### CONTRACT OPERATIONS

Senator STEVENS. Why don't they contract out most of that?

Mr. THURSTON. Most of the program, in fact, is contracted out, and during busy seasons a lot of it is also charter.

#### CONTRACT VERSUS IN-HOUSE OPERATIONS

Senator STEVENS. How much of your activity was contracted out, and how much of it was in-house as far as departmental operations, last year?

Mr. THURSTON. In OAS during fiscal year 1975—and I am talking now of contract charter and Government fleet aircraft operations that OAS is involved with—the total amount was just under \$15 million, of which the Government fleet operation was \$2,170,000, or 14 percent of the total. If I could elaborate further on that figure—

Senator STEVENS. Your operations in-house were 14 percent of your total aircraft costs for the department?

Mr. THURSTON. That is correct, Mr. Chairman.

Senator STEVENS. How much of it was in Alaska?

Mr. THURSTON. The portion of the operation that we are actively managing in terms of Government aircraft operations is all in Alaska.

Senator STEVENS. You are not operating out of Boise?

Mr. THURSTON. The largest activity in Boise is the Bureau of Land Management aircraft operation that is part of the fire center operation.

Senator STEVENS. I thought the Office of Aircraft Services was operating that, too.

Mr. THURSTON. No. As you recall, Mr. Chairman, we started in Alaska first, and have been phasing our activities as we get further down the road. We have not consummated any operational consolida-

tion at this point with respect to the Bureau aircraft operations in the contiguous 48 States.

There are several reasons for this. The primary one is that I am not sure it is appropriate, from the operational standpoint, because of the nature of the operations down here, which is one of widely dispersed operations scattered around the country. There are some operations which tend to be centralized, and we are in the process of evaluating all of these operations in more detail with respect to their cost effectiveness, utilization, and management of these operations.

We are really just getting into it in some detail now. The reason I have not pursued consolidation before this is because I have elected to vector our primary interest and effort into the contract aircraft operations department-wide, because of the large number of fairly critical problems that have existed in the contract program, and incompatibilities of our procurement procedures from one bureau to the next, et cetera. I have been working primarily in this area.

#### ALASKA ACTIVITY

Senator STEVENS. Do I understand you to say that you spent some \$15 million in Alaska last year?

Mr. THURSTON. No, sir. The Alaska portion of the total program, in terms of contract, charter, and Government operations, comes up with about \$12 million. Out of that \$12 million, approximately \$7 million was for contracts with various bureaus of the Department in Alaska.

Two and a half million dollars was for charter aircraft operations that we were involved in. The Bureaus can still charter in Alaska, and handle their own program, as long as they meet our standards.

Some of this they ask us to handle, and we do.

Senator STEVENS. When you say "charter," that means they come up with their own aircraft?

Mr. THURSTON. No, what I mean, sir, is that they can call up a commercial operator and say, "I want to go to point A from point B, and will you take me?" What I am saying is that the charter figure was \$2½ million approximately—or estimated for fiscal year 1976.

These are estimated figures, and estimated for fiscal year 1976 in Alaska for Government fleet costs would be \$1.7 million.

Senator STEVENS. Whose planes are those?

Mr. THURSTON. These are what are now the OAS, Government aircraft fleet.

Senator STEVENS. Whose planes are the charter operations?

Mr. THURSTON. Charter operations are commercial air taxi, commercial operators throughout Alaska.

Senator STEVENS. Who are the contract operators?

Mr. THURSTON. The contract operators are the commercial operators to whom we go on the commercial market to perform our services under a contract mechanism.

Secretary CLARKE. Perhaps the confusion is in the term "charter." It was used by the Solicitor this morning one way and now we are using it another way.

When we say "charter" we never refer to a Government aircraft. When Jim is referring to Government aircraft, that is an aircraft which is owned by the Government to operate in Alaska, and that operating level is somewhere between \$1 million and \$1½ million.

We say "charter" irrespective of whether the charter request goes through a Bureau to an operator or through the Office of Aircraft Services; it is still a charter.

#### DIFFERENCES IN ALASKA/LOWER 48 AIRCRAFT REQUIREMENTS

Senator STEVENS. I am still not convinced that there is any different requirement in my State than there is anywhere else in the country to operate an Interior Department air force. I think that we are just going to have to take an indepth look at it. I thought when we started that it was going to be a nationwide operation. But it appears that it is growing in numbers, and it is in Alaska only.

Secretary CLARKE. Mr. Chairman, perhaps I could shed a little light on this problem. The original concept when the study was conducted back in 1973—

Senator STEVENS. Oh, Mr. Clarke, Mr. Thurston and I are old friends. We have been at this for 6 years now, and I think I know the concept and where it came from.

Secretary CLARKE. I think you are concerned about whether we should have operational control of aircraft in the lower 48. I think there is a different situation there, between the lower 48 and Alaska. The aircraft are scattered all over the country. From an operational standpoint, it is very difficult to operate a consolidated activity like we are operating in Alaska.

Senator STEVENS. Mr. Clarke, you have a lot of operations in Denver; don't you? You have a big office, as I recall, in Denver.

Secretary CLARKE. Yes, sir, but I think there is only one aircraft there.

Senator STEVENS. I understand that, but how many taxis do you run? In Alaska the aircraft is the bus, it is the taxi, it is the family car, it is the railroad, except for 300 miles. It is everything, and there is no place where you operate in Alaska where you can't find more airplanes per capita than you can anywhere in the United States.

Yet it is the only place where you have decided to run an air force. I can show you that we own and operate more airplanes per capita than anywhere in the world, and there is every single kind of aircraft available in private operation in Alaska, including the 123's, the Hercules and everything else.

They are there and they have been adequate for your needs in the past, but somehow or other, the last 5 years they have been inadequate. It has been about 5 years, hasn't it, Jim—4 years—since this plan surfaced? About the same year I came on this committee.

Mr. THURSTON. Sir, last year was our second operational season, but the plan—

Senator STEVENS. The plan came up the previous year.

Secretary CLARKE. Our plan called for a reduction in the number of aircraft owned by the Government and operating in Alaska. That is the direction in which we are heading.

Senator STEVENS. That is good. I am not arguing with that. After the pipeline we will have plenty of surplus aircraft. You will be able to charter and contract for fees you never heard of before in Alaska. People will have to pay for those airplanes and keep themselves going. We have been through this before, Mr. Secretary, in depth.

#### OUTER CONTINENTAL SHELF

What about the OCS level? You have a position that you are requesting for that. What grade level is the OCS request?

Secretary CLARKE. I will have Mr. Doremus answer that question, Mr. Chairman.

Mr. DOREMUS. Mr. Chairman, that position is a grade 9.

Senator STEVENS. What is it to do?

Mr. DOREMUS. We are faced with an increasing workload in the OCS program, as the number of sales increase, and as we increase our efforts to more closely involve the States and other interested parties in the development of the program and operation of the program.

Senator STEVENS. What is the other services object class? Why does that increase 2½ times over the last year?

Mr. DOREMUS. In the OCS office?

Senator STEVENS. Yes.

Mr. DOREMUS. That is primarily, Mr. Chairman, associated with support costs arising from the operation of the Advisory Committee, that is, the National OCS Advisory Committee and the subcommittees and ad hoc committees, which are either regional or are based around special purposes.

We will—we have to pay some support costs. We have to rent space. We have to provide duplicating services, recording services, publish minutes and other associated costs with that activity.

#### OUTER CONTINENTAL SHELF PROGRAM

Senator STEVENS. OCS under "rent, communications, and utilities" you show a \$50,000 increase. You indicate \$7,400 is for increased space costs—how is the rest to be used?

Secretary CLARKE. The Outer Continental Shelf Office was established last year and the full staff complement is about to be completed. Support for the full staff will require additional funds in the following areas: Postage \$15,000; copy machine rental \$15,000; and telephone service—FTS—\$12,600.

Senator STEVENS. Why are OCS office equipment costs more than doubling?

Secretary CLARKE. Since this is a new office, the \$4,000 requested for equipment last year was to support the staff expected to be on-board at that time. In fiscal year 1977, \$9,000 will complete the initial equipment outfitting for the entire office.

Senator STEVENS. Could you explain the increase of \$10,000 for travel in the OCS office?

Secretary CLARKE. The answer to the previous questions also pertains here. Staffing of this newly established office is almost complete. The travel requirements of the entire office in 1977 will necessarily be greater than the amount requested for the smaller staff in fiscal

year 1976. In addition, the increased responsibilities for OCS coordination placed on this office will require a responsive and highly informed organization, particularly those activities related to the expanding role of the OCS Advisory Board. This can be accomplished only through increased travel and communications.

#### FISCAL SERVICES

Senator STEVENS. Under the Office of Secretarial Operations, Division of Fiscal Services, you have a request for \$75,000 to be used to update the financial management reports and accounting system for submission to GAO for approval. Is this in response to GAO directives?

Secretary CLARKE. Title 2, Accounting, U.S. General Accounting Office states that all Federal accounting systems be documented and submitted to GAO for approval. Also, GAO requires that we produce meaningful reports for management on a timely basis. To conform to these standards major changes to the current accounting system including ADP programing must be accomplished.

#### ADP MANAGEMENT

Senator STEVENS. How would you characterize the Office of ADP Management now that it is well established

Secretary CLARKE. This Office was established in February 1974. At that time the Department and its bureaus were feeling the intense pressures of the energy crisis, with the associated emphasis on improved management of our natural resources. The Department's ADP budget for fiscal year 1974 was \$25 million, and its computer inventory consisted of outmoded and unreliable equipment. Since that time, the Department's ADP budget has grown to \$45 million in fiscal year 1976 as computer technology has been increasingly applied to supporting bureau missions.

The budget for the Office of ADP Management has continued to be somewhat austere during this time of rapid growth in bureau programs—austere to the point that the Office has been fully staffed for only 8 months of the 2-year period. Through consistent dedication, the Director of this Office and his staff have made notable strides to improve ADP support to the bureaus within the Department. This improvement has often involved major procurement actions and intensive management analysis. Previous documentation provided to this committee has highlighted specific examples of savings and improvements resulting from the efforts of this office.

The professionalism and leadership of the staff in ADP planning, policy and procurement are now being recognized by GSA, OMB and other Government agencies. Interior was recently identified by OMB as one of three exemplary agencies for ADP management in the Federal Government.

Also of significance is the staff's recognition within the Department for their user orientation, professional integrity, and responsiveness. This attitude exists among the bureau personnel, even though the Office has frequently been involved in controversial issues with the bureaus.

Sharing of ADP resources, strategic ADP planning, and top-management involvement in ADP are now realities within the bureaus of the Department. Many benefits have already been realized, but the potential for use of ADP technology for management of our natural resources is tremendous. In this regard, the current level of staffing is essential to providing responsive planning, policy, program evaluation, and procurement support to the bureaus. Additional resources could be effectively utilized in the assessment and applications of advanced technology—minicomputers, distributive processing, data bases, telecommunications and process control systems—which have impact on all bureau missions within the Department.

In summary, we have made much progress in the management of our ADP resources in the past 2 years. We anticipate even greater accomplishments in fiscal year 1977 and beyond as the results of the planning, policy and guidance really pay off through mission accomplishment in the bureaus.

#### AUDIT AND INVESTIGATIONS

Senator STEVENS. Travel for the Office of Audit and Investigations increases nearly \$39,000. Why such a large increase?

Secretary CLARKE. Travel was constrained in fiscal year 1975 particularly, and to some extent in fiscal year 1976 by insufficient funds, and we had to revise our audit plans to concentrate more of our audits close to home. This was done at the expense of higher priority audits out of town. We have to get back on our regular schedule which will increase our travel costs and will require more travel in fiscal year 1977. Also, we anticipate that as costs continue to rise and more of our people will be receiving the full per diem and common carrier allowance, costs will also continue to increase.

Senator STEVENS. Two man-years of audit resources were diverted to conflict of interest matters in fiscal 1976 as an interim measure. What is the level planned in fiscal 1977?

Secretary CLARKE. We anticipate that the conflict of interest program will continue to require an investment of 2 man-years in fiscal year 1976 and throughout fiscal year 1977. In this regard the new Energy Policy and Conservation Act, Public Law 94-163, conflict of interest provisions will add to our workload.

Senator STEVENS. What effect will this have on overall audit capability?

Secretary CLARKE. We appear to be facing a permanent reduction of 2 man-years in audit capability resulting in a corresponding reduction in the performance of our assigned audit mission.

#### NATURAL RESOURCES LIBRARY

Senator STEVENS. How much of the requested increase of \$141,000 for the Natural Resources Library will be used to initiate a security system?

Secretary CLARKE. We have included \$30,000 in the 1977 request to start the system.

Senator STEVENS. What are your estimates for the total cost of setting up a security system and when do you anticipate completing it?

Secretary CLARKE. The first year costs include procurement and installation of equipment at \$12,300; purchase of 50,000 sensitized strips for \$5,200; and processing of the strips for \$12,500. These items total \$30,000 which represents the initial cost of the system.

For 3 years following the installation, the cost is expected to be \$17,500 annually which will be used to purchase and process about 50,000 additional strips per year.

Senator STEVENS. Once established, how much will it cost annually to operate?

Secretary CLARKE. The system will be established and up to date in 4 years. After that we expect to be concentrating on new materials coming into the system at a rate of 10,000 to 15,000 items per year. The annual cost at that point will amount to approximately \$5,300.

#### JOHNNY HORIZON PROGRAM

Senator STEVENS. What accounts for the large increase in other services in the Johnny Horizon program?

Secretary CLARKE. Beginning in the summer of 1976, efforts will be made to change the Johnny Horizon logo, to develop new art and graphics for the kits now being distributed to children, adults, teachers and sponsoring groups; to publicize the new theme—Let's Make America A Better Place To Be—provide for distribution of Johnny Horizon environmental and conservation informational and educational materials; and produce—with the assistance of nationally known entertainers whose services have been provided free of charge—and mail out radio and television public service announcements which have received approximately 50 percent or more usage. We expect to spend \$21,400 more for these services in fiscal year 1977.

Senator STEVENS. Do you have some means of measuring the success of this program?

Secretary CLARKE. We are currently studying this program and attempting to evaluate the degree of effectiveness of the antilitter campaign beyond the Bicentennial.

Senator STEVENS. Generally, would you consider it worthwhile in terms of benefits received?

Secretary CLARKE. The program has attempted to produce a national awareness of the litter problem. I think our study will give us better insight on the achievement of the goal relative to the resources put into it.

#### EMERGENCY PREPAREDNESS

Senator STEVENS. How much of the requested increase will be used to start up the emergency preparedness water program?

Secretary CLARKE. We are planning to allocate \$65,500 of the proposed increase to initiate the water program.

Senator STEVENS. What caused you to arrive at the decision to delay starting up the water program last year? Why weren't adjustments made within other components to accommodate at least starting the water program?

Secretary CLARKE. First, funding for emergency preparedness activities in previous years was provided by the GSA through its Office of Emergency Planning. Those funds were cut off in the middle of fiscal year 1975 and costs for one-half of the year had to be absorbed.

Second, the Office of the Secretary has not had an emergency water program. Our plan was to include a water program in the direct fund request for fiscal year 1976. The severe cut, about 42 percent, in emergency preparedness precluded any new starts. We were barely able to maintain the existing functions in electric power, oil and gas, and minerals and solid fuels in fiscal year 1976.

Senator STEVENS. That is all I have. I urge you, again, I do not think it is any secret or it takes any special knowledge to understand where the cuts will come this year, unless they are absolutely justified on travel. I urge you to get your travel explanations succinct, and to us as soon as you can.

Secretary CLARKE. Thank you very much, Mr. Chairman.

Senator STEVENS. Thank you, gentlemen.

#### SUBCOMMITTEE RECESS

The subcommittee will stand in recess until 10 a.m. tomorrow morning when we will take up the American Revolution Bicentennial Administration and the National Foundation on the Arts and Humanities.

[Whereupon, at 11:55 a.m., Tuesday, March 2, the subcommittee was recessed, to reconvene at 10 a.m., Wednesday, March 3.]



DEPARTMENT OF THE INTERIOR AND RELATED  
AGENCIES APPROPRIATIONS FOR FISCAL YEAR  
1977

WEDNESDAY, MARCH 3, 1976

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.

AMERICAN REVOLUTION BICENTENNIAL ADMINISTRATION  
STATEMENT OF JOHN W. WARNER, ADMINISTRATOR

ACCOMPANIED BY:

HUGH A. HALL, ASSISTANT ADMINISTRATOR  
EUGENE SKORA, GENERAL COUNSEL  
STEPHEN G. GOODRICH, BUDGET ANALYST  
JEAN McKEE, DEPUTY ADMINISTRATOR DESIGNATE  
ANDREW WAHQUIST, EXECUTIVE ASSISTANT  
LEWIS R. MILLER, EXECUTIVE OFFICER  
HERBERT HETU, ASSISTANT ADMINISTRATOR

BUDGET REQUEST

Senator STEVENS. Good morning.

We will begin this morning's hearing with the budget estimates of the American Revolution Bicentennial Administration.

The estimates for fiscal 1977 total \$1,965,000, a decrease of about \$7.5 million over appropriations to date. Justification has been included in part 2 of the hearing record.

PREPARED STATEMENT

We are happy to have before us again as principal witness Mr. John W. Warner, the Administrator of ARBA. John, your prepared statement will be included in full in the hearing record. I would appreciate if you would introduce your associates and highlight your statement for the committee. We are happy to see you back here again.

[The statement follows:]

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE ON INTERIOR AND RELATED AGENCIES:

I am pleased to appear before you today in support of a \$1,965,000 budget request of the American Revolution Bicentennial Administration (ARBA) for nine months of fiscal year 1977, to June 30, 1977.

One year ago, I appeared for the first time before this Subcommittee in support of the annual budget request of the new American Revolution Bicentennial Administration. At that time I presented to the Subcommittee the philosophy and thrust of the new ARBA legislation and highlighted the functions to be emphasized and carried out with requested funds. Now a brief year later, I am again appearing before you to present the budget request which will wind down ARBA activities and see it through to its termination no later than June 30, 1977, as provided by law.

As you know, ARBA is given guidance and policy direction by a statutory 11-person Board, which includes Senators Edward Brooke and Joseph Montoya and Congressman M. Caldwell Butler and Congresswoman Lindy Boggs. This Board which meets monthly has provided a clear blueprint to guide our activities. In my judgment, the Board has established priorities and directives which have given meaning and substance to the Bicentennial and brought it to its present state of fulfillment. In essence, the Board has given emphasis to full participation by all Americans in the Bicentennial, directing that special effort be made to encourage and assist the participation of racial, ethnic, Native Americans, women and youth. Also emphasis has been upon the initiative of State Bicentennial Commissions, local communities, and various civic, patriotic, service and labor organizations rather than directives from Washington. Finally, the Board has assigned top priority to the ARBA statutory responsibilities for the preparation of calendars of events, promoting national awareness of the Bicentennial and its significance, and implementation of a medals and licensing program which provides revenues which are primarily for support of national, State, and local community Bicentennial projects.

I have made available to the Committee a listing of highlights of major ARBA activities carried out under the Board's policy guidance.

Before focusing on the FY 1977 budget request, I would like to review with you ARBA's progress, the current status of the Nation's Bicentennial commemoration, and in particular, the steps we have taken to assist the District of Columbia Office of Bicentennial Programs and other groups which are endeavoring to provide for the needs of visitors to the Nation's Capital as well as its residents.

ARBA has within the limits of its resources and jurisdiction provided to the District of Columbia Bicentennial effort the largest amount of ARBA funding provided to any city as follows:

- \* \$150,000 to help establish a Visitors Center in the Great Hall of the Department of Commerce. This center will be a focal point for visitors to the District until the opening of the National Visitors Center at Union Station.
- \* \$25,000 to help fund a telephone answering service to secure reservations for tourists within the Greater Metropolitan Washington Area.

- \* \$60,000 to assist in the development of the Children's Bicentennial Island (Kingman Island) which will provide a recreational area for children of visitors to Washington as well as to serve as a centerpiece for the residents of the District for the Bicentennial.
- \* \$40,000 for the District of Columbia's Bicentennial Salute to the States Program. This program which will be conducted throughout the year will help spread out visitations to Washington since, if properly promoted, many visitors will wish to time their visits to coincide with their particular State Day in the Nation's Capital.
- \* \$174,000 in grants in FY 1976 to support specific Bicentennial projects and activities submitted by the District of Columbia.

In addition to this financial support, ARBA is also providing staff assistance to the District of Columbia Office of Bicentennial Programs, the White House Interagency Bicentennial Coordinating Subcommittee Task Force, and the Metropolitan Council of Governments (COG) in connection with their efforts to assure visitors services during the Bicentennial. Also, we are providing technical and coordinative services to the District through the ARBA Office of Nation's Capital Bicentennial Affairs and are providing space and facilities to "Happy Birthday USA," a non-profit volunteer organization developing various events in the Nation's Capital over the July 4 weekend. We will continue to look for additional ways to support the Nation's Capital Bicentennial effort.

In furtherance of the objective to involve all Americans in the Bicentennial, ARBA has made a special effort to assure that appropriate recognition be given to the role and contribution of women, youth, ethnic, racial, and Native American groups in the development of the Nation and that these groups have equal opportunity to participate fully in the Bicentennial commemoration. ARBA guidelines for its non-appropriated net revenue grants to State Commissions require that special consideration be given to projects focusing on the contributions past, present, and future of these groups. In this connection, ARBA has established the American Revolution Advisory Committee on Racial, Ethnic and Native American Participation in the Bicentennial to give guidance and recommendations for means to encourage full participation by these groups in the commemoration. Also ARBA has established the ARBA Office of Native American Programs to work specifically with Indian tribes' participation in the commemoration. These efforts, in my judgment, have helped to overcome a reluctance by some to participate in Bicentennial activities. For example, 26 Indian reservations have been designated under the ARBA Bicentennial Communities Program. I have provided the Committee with a report on Native American Programs, which describes the progress being made in this area.

We in ARBA firmly believe that the grassroots, community-oriented approach to the Bicentennial with participation by all Americans in their States and communities and local organizations in activities and events organized by themselves is the course and direction desired by the people of the United States. The validity of this approach is confirmed in a recent Roper Poll (commissioned by ARBA) in which 81 percent of those polled regardless of sex, age, economic level, or racial and ethnic background indicated their desire to celebrate the Bicentennial on an individual or community basis. Furthermore, the overall interest of the American people in the Bicentennial is exemplified by 66 percent of those polled who expressed an affirmative interest in the Bicentennial.

The Comptroller General of the United States following a review of ARBA activities also concluded that "involvement in the Bicentennial celebration at the grass roots level has increased substantially. We believe that this involvement has been largely due to the Bicentennial Administration's efforts to promote and encourage large-scale local involvement. We believe also that, if the Bicentennial Administration continues to promote local involvement, interest and participation in Bicentennial projects should accelerate as 1976 draws nearer."

Turning now to International participation in the Bicentennial, I am pleased to report that to date, more than 70 foreign countries are now involved in the commemoration. Twenty-eight countries have established their own Bicentennial organization to coordinate their participation within the United States and, in some instances, activities within their own country.

A partial list of participants include:

- \* France - Sound and Light Spectacle at Mount Vernon
- \* U. K. - Loan of the Magna Carta for display at the Capitol
- \* Germany - Planetarium projector for new Space Museum in Washington
- \* Japan - Experimental theater at the Kennedy Center
- \* Canada - National performing arts festival in Washington last October and participation in the Rose Bowl Parade
- \* Australia - Fellowship program for non-academics
- \* Iran - Scholarship program for Americans to study in Iran
- \* Italy - La Scala to Washington and loan of the Venus de Medici
- \* Denmark - Royal Danish Ballet to New York and Washington
- \* Finland - Exhibits and performing arts groups
- \* Norway - Various programs including exhibits and Ski for Light program involving blind young people.

Of special significance is the participation of more than 30 countries in the Festival of American Folklife which will take place on the Mall in the Nation's Capital during the summer of 1976 followed in many cases by tours of various groups to cities across the Nation. Co-sponsored by the Smithsonian Institution and the National Park Service with substantial financial assistance from the ARBA, the Festival is a focal point for ethnic participation in the Bicentennial.

With regard to the July 4, 1976 weekend, we perceive a clear desire by communities and individuals across the land to "join together" in one way or another on this weekend.

Accordingly, a special ARBA task force is coordinating plans for establishing a unified national focus for that weekend. The primary mission of the task force is to gather information about what will take place and disseminate it to others who may wish to follow the proposed programs as a blueprint. Plans at this time propose national activities such as flag raising, dedication of historical restoration

and preservation projects, periods of reflection on our rights and liberties, reading of the Declaration of Independence, bell ringing community festivals, reflections on our religious heritage, environmental activities including appropriate dedication and groundbreaking ceremonies for public projects.

In the District of Columbia, ARBA is coordinating Independence Day Weekend activities with the White House Subcommittee on Bicentennial Activities for the Metropolitan Area of Washington, D.C., and with Dr. A. Knighton Stanley's District of Columbia Office of Bicentennial Programs. Several non-profit groups such as "Happy Birthday USA" and individual private citizens are assisting in these efforts. ARBA is, of course, also coordinating planning for this weekend with Philadelphia, New York, Boston, and other cities, which will have national programs and activities.

Now I would like to turn to the \$1,965,000 budget request for the first nine months of FY 1977. It should be noted that this budget for the period beginning October 1, 1976, calls for incremental reduction and retrenchment of all functions beginning on that date. ARBA regional offices and certain Washington headquarters activities such as Communications and Public Affairs, Bicentennial Communities Program, Master Calendar Services, and program implementation will be reduced or terminated. Reductions in ARBA functions and personnel will continue to be made during the funding period looking toward complete termination of ARBA no later than June 30, 1977.

It should be noted that Section 7(b) of P.L. 93-179 which established the ARBA authorizes the President "to transfer to the Secretary of the Interior on or after January 1, 1977, such powers and functions as he shall deem necessary for a continuation of appropriate commemoration of events relating to the American Revolution until December 31, 1983. All personnel, records, property, and appropriations of the Administration as related to the transferred functions shall be transferred to the Secretary of the Interior and shall be available for carrying out such transferred functions."

It will be necessary for the Department of the Interior which has statutory responsibility to provide financial and administrative support to ARBA to continue, after June 30, 1977, to undertake residual financial and administrative responsibility with respect to such matters as extant ARBA grants, contracts, reporting requirements, etc. Beyond these essential financial and administrative functions, we cannot, at this time, comment on what Bicentennial functions, if any, the then President may transfer to the Secretary of the Interior pursuant to the above provisions.

In conclusion, this will be one of my last opportunities to thank, on behalf of millions of volunteer Bicentennial workers, the Congress of the United States and, in particular, this Committee for their support of the Bicentennial. The Executive Branch, working jointly with the Congress, has helped to establish in each of the States, the Territories, Puerto Rico and the Nation's Capitol, a vast network of Bicentennial organizations which in turn are assisting the people in implementing programs and events largely of their own choosing. These grassroots efforts reflect the diversity and richness, the priorities and hopes of thousands upon thousands of individual communities; collectively these efforts will record the Bicentennial as being, in my judgment, the most massive volunteer movement in the history of the world. There is a parallel initiative to be found within the programs of the departments and agencies of the Federal Government.

It has been a great privilege for me and my staff - a wonderfully dedicated group - to serve these volunteers and the general public. ARBA came into existence in January 1974 against a backdrop of criticism and loss of confidence in the leadership role offered by the Federal Government. As I received the oath of office on April 11, 1974, the ARBA staff joined me in a pledge that we would perform our duties in a non-partisan manner and in strict compliance with Public Law 93-179. By restoring confidence in national leadership, ARBA could then establish a partnership with State Bicentennial Commissions and others, inspiring grassroots efforts so as to insure a commemoration in keeping with the dignity and greatness of this Nation. These pledges have been met.

The controversy - and the Bicentennial should arouse controversy - has now shifted to national problems affecting the whole of the Bicentennial. Debates surround issues such as the impact of tourism, the degree of public funding, and the possible absence of a "center-piece" or monument such as the Statue of Liberty, a World's Fair, or an Expo similar to the Philadelphia Centennial exhibit in 1876, or the most perplexing issue of all - commercialism.

I am confident that the innovative and unselfish contributions of the vast network of volunteer Bicentennial organizations and communities will not be overshadowed by such controversies, which - on the whole - are conscientious and constructive. ARBA is at the crossroads of information and viewpoints, particularly those received from State Commissions, and we enter into these debates with objective positions.

For example, we strongly believe that the Bicentennial will not go down in history - as some more vociferous critics portend - as a gigantic "commercial rip-off." Yes, we as individuals find some of the advertisements, souvenirs, and memorabilia distasteful and denigrating to the dignity of the Bicentennial. But the greater danger, by far, would be for ARBA, under the guise of government authority, to step in and selectively try to stop the manufacture and sale of certain items. We do not have such legal authority, nor should we have it. Such arbitrary action would abridge one of our freedoms -- freedom of choice.

It is ironic that critics calling for such action are, in general, the same ones who so diligently defend freedom of the press! How can they defend an individual's right to have unlimited selection of written material from the newsstand, then deny an equal freedom of choice of souvenirs from the same shelves? No, the Bicentennial will not be a commercial "rip-off" for the simple reason that the American public possesses enough good judgment to exercise their freedom of choice.

Lastly, a deeper and more troublesome issue rests with the concern that the Bicentennial will come and go, leaving no permanent edifice as a reminder of the unselfish efforts of so many. Americans love a spectacle and many are sitting back waiting to view one on the occasion of our 200th anniversary. Unless they search for a deeper meaning to the Bicentennial, they will be disappointed. For the cornerstones being laid today which will last into our third century are not spectacular in size or expense, but are truly spectacular in number. As this report is written, there are almost 10,000 communities which have Bicentennial programs containing at least one permanent contribution towards improvement of the quality of life as we enter the third century.

Our Nation derives its strength not from huge pavilions, skyscrapers or freeways but from a diversity of its cultures and heritages and,

above all, from a guarantee of its freedoms. Against this legacy of richness of diversity, why should we expect a single "centerpiece?" My response is that the "centerpiece" of our Bicentennial will be in the form of a unique mosaic of these thousands of little cornerstones.

This mosaic "centerpiece" will rest on that same foundation which has enabled this Nation to become the oldest surviving democratic republic on earth - the Declaration of Independence, the Constitution and the Bill of Rights.

Over the past year my staff and I have worked, almost without exception, with every Bicentennial organization - national, State and local. It is our consensus that out of the Bicentennial will emerge an overwhelming appreciation for, pride in, and reaffirmation of these foundation documents. From this will spring the mandate for our Nation's third century: that our form of government was laid down correctly following the Revolution and it can carry us through another century provided the promises, the hopes and aspirations set forth therein are fulfilled for all of our citizens.

#### HIGHLIGHTS OF ARBA ACTIVITIES

The following are highlights of major ARBA activities:

- \* Development of the Bicentennial Communities Program which now includes 8,000 designated communities, 608 college campuses, 26 Indian reservations, and 256 military installations. By July of 1976, over 10,000 designations will have been made encouraging strong local involvement and participation in America's Bicentennial.
- \* Registration of over 25,000 Bicentennial activities to date. To fulfill the calendar responsibilities, a quarterly Comprehensive Calendar of Bicentennial Events lists nearly 11,000 events with activity on or after February 1, 1976. The register function is fulfilled through the Master Register of Bicentennial Projects, the February 1976, edition of which lists 16,000 projects. An overall Index of Bicentennial Activities is also being prepared as a reference to total nationwide planning details, and will list the 27,000 activities by city and state. These publications will be distributed to all Bicentennial Communities, State and Territorial Commissions, and the news media, travel industry, and Bicentennial planners on a selected basis. In addition, ARBA is planning a general program book covering representative aspects of the nationwide commemoration. To be titled "200 Years: The Bicentennial of the United States of America." this attractive and reasonably priced publication will receive the widest possible nationwide and international distribution.
- \* Coordination of Foreign participation in the Bicentennial. Over 60 countries will take part in America's Bicentennial with efforts ranging from the French Government's sound and light spectacle at Mount Vernon to Federal Republic of Germany's contribution of University Chairs, and Japan's offer of cherry groves in Seattle, San Francisco, and Los Angeles. Innumerable works of art, exhibitions and touring groups will travel across the United States in 1976 to honor

the Bicentennial. The total investment of foreign countries in these efforts has now reached over \$20 million.

- \* Continuance of grants-in-aid programs underwritten by appropriated as well as non-appropriated revenue funds. Over 4,000 projects have received financial assistance from ARBA amounting to almost \$20 million and matched by more than \$40 million by State and local governments and the private sector; efforts ranging from restorations of historic sites to national forums addressing the problems and challenges of the 21st century.
- \* Initiated several public awareness campaigns through increased visibility of the Bicentennial logo, public service television and radio spot announcements, and distribution of Bicentennial travel information on a regular basis to the entire media. These activities as well as continual dissemination of all types of pertinent information will continue through the end of 1976.
- \* Coordination and aid in the scheduling and staging of major national and regional Bicentennial Events such as Operation Sail 1976, Wagon Train, Bikecentennial '76, Parades, and many more significant celebrations.
- \* Production and distribution of the three-screen show BICENTENNIAL USA, and an additional 13 minute motion picture of the same title.
- \* Establishment of a special public information capability to provide the widest possible coverage to the events of the July Fourth weekend.
- \* Production and distribution of a wide variety of informational materials to assist Bicentennial planners, travelers, and workers. These pamphlets, papers, and books cover subjects from low-cost accommodations and tourism to methods of promoting and funding small town celebrations.
- \* Development of "USA '76: The First Two Hundred Years." This exhibition presents a unique overview of the Bicentennial celebration through photographs, sound, films, and special computerized information center. Over 300,000 visitors have seen this exhibition in Chicago, Seattle, Los Angeles, and Denver. The exhibition has been selected to become the ARBA contribution to the U.S. Bicentennial Exposition on Science and Technology to be held at the Kennedy Space Center, Cape Canaveral, Florida, from May 30 through September 6, 1976.
- \* Publication of The Bicentennial Times, a monthly newspaper which serves as the principal informational conduit of the ARBA. Now reaching over a quarter of a million homes, businesses, embassies, and schools throughout the world, requests for subscriptions continue to come at the rate of 15,000 per months.
- \* Recognition of over \$25 million in Bicentennial investments by the American private sector - business organizations, labor organizations and foundations - in promoting projects ranging from the restoration of the Statue of Liberty to Bicentennial youth debates to the Freedom Train.

- \* Financial and other resource assistance in the Nation's Capital to aid in visitor planning as well as the production of unique efforts such as Children's Island and the Salute to the States.
- \* Continuance of State and local coordinative assistance through a network of 10 regional offices. This program provides localities with technical assistance in scheduling and launching commemorative programs and celebrations.
- \* Entered into numerous joint venture programs within the Federal departments and agencies promoting excellent projects such as the Junior Committees of Correspondence, the Festival of American Folklife, the Festival of Jazz, Horizons on Display, Working Americans, and many other significant undertakings.
- \* Co-sponsorship of a national ethnic racial conference to elicit minority goals and aspirations for their participation in the Bicentennial commemoration.
- \* Co-sponsorship of a national religious leader's conference to promote their perspective and efforts in the Bicentennial.
- \* Production of the multi-media program, "Count Me In," for use by schools in promoting youth awareness and involvement in the Nation's Bicentennial.
- \* Continuation of a very successful annual commemorative medals program which has generated approximately \$12 million in net revenues available for funding local, State, national and international Bicentennial projects. The design of the National Bicentennial Medal commemorating the year 1776 and its significance to American independence to be struck by the U.S. Mint in various sizes in gold, silver, and bronze. The medals are available for purchase by the general public beginning January 1 of 1976 as the official commemorative of the Bicentennial.
- \* Implemented a Commemorative Licensing Program established by the Board as directed by the Congress in P.L. 93-179 which resulted in 102 licenses for 200 officially recognized commemoratives. Gross revenues generated by these licenses have exceeded \$800,000 to date.
- \* Assistance with Congressional involvement in the Bicentennial by providing speech materials, community designation ceremonies, and special information materials.
- \* Development and production of the film "America": A BICENTENNIAL FILM CELEBRATING OUR LAND AND PEOPLE. The film is composed of scenes from over 100 American motion pictures depicting varied aspects of the life and character of our people. After a world premiere to take place at the John F. Kennedy Center for the Performing Arts in Washington, D.C., the film will go into general release in mid-1976.

- \* Development of "The World of Franklin and Jefferson" Exhibition in cooperation with the Metropolitan Museum of Art in New York through a grant from the IBM Corporation. This unique exhibition designed by Charles and Ray Eames spanning 120 years of the early American experience and its European heritage was seen by a quarter of a million visitors in Paris, Warsaw, and London; a record attendance for an historical exhibition. In early March of 1976, the exhibition will begin its tour of the United States at the Metropolitan Museum of Art in New York City.
- \* Accorded official ARBA recognition to 209 Bicentennial projects and events of national and international significance which further the objectives of P.L. 93-179.
- \* Provided \$35.5 million in appropriated funds and \$13.4 million in non-appropriated funds to Federal agencies and for grants to Bicentennial Commissions of the States, the District of Columbia, the Commonwealth of Puerto Rico, and the Territories, and to non-profit organizations for selected Bicentennial projects and events.
- \* Emphasized participation of racial, ethnic, Native American, youth, and women's groups in Bicentennial projects and activities through such means as grant support, establishment of the American Revolution Bicentennial Advisory Committee on Racial, Ethnic and Native American Participation in the Bicentennial, and the ARBA Office of Native American Programs.

## TERMINATION OF ARBA

Mr. WARNER. Thank you, Mr. Chairman.

This will be my last appearance before this committee. Our agency, by direction of the Congress, will go out of business about this time next year, and this small budget request is for the funds needed to close down the agency by June 30, 1977.

Joining with me this morning is Mr. Hugh Hall, Assistant Administrator; Eugene Skora, General Counsel; and Steve Goodrich, Chief Financial Officer for the agency.

Two years ago when I appeared before you while making the transition from Secretary of the Navy to ARBA Administrator, we were in the midst of Watergate and Vietnam, and there was deep doubt in the Nation whether or not there would be a celebration in honor of our 200th anniversary.

Through the work of this agency, and largely through the work of the people themselves, there will be a commemoration which in my judgment will indeed fit the greatness and the dignity of our Nation.

This small agency, which numbers approximately 200 people, is completing the task laid down by the Congress, and in a nonpartisan manner in strict compliance with the law.

On June 30 of next year, we will close our doors. However, this budget is designed to begin the phasedown in October of 1976. By December approximately two-thirds of the personnel will have departed, and in the spring of 1977 the balance will continue largely to assemble for the National Archives a record of the Nation's Bicentennial.

## FOREIGN AND PRIVATE PARTICIPATION

I am pleased to report that on their own initiative over 70 foreign nations have come forward to join in the bicentennial celebration. Their participation ranges from the smaller countries' stamp collections, special issues of coins, productions such as the French Sound and Light Show at Mount Vernon, scholarship programs, and Great Britain, as you know, will be loaning to the United States that document which is the foundation of all Western law, a copy of the actual Magna Carta to which King John affixed his seal in 1215, to be housed here in the Rotunda of the Capitol.

The private sector likewise has stepped up its role and participation in the bicentennial. The Congress wisely determined that primary funding of the bicentennial would be left to the initiative and imagination of the general public, of which the private sector is an integral part.

We have no means to estimate the total contributions by the private sector, but it certainly is in the hundreds of millions. For example, here in the Nation's Capital next summer, the focal point of the outside activities will be the Smithsonian Folklife Festival. American Airlines and General Foods, through contributions in support of that program, will enable foreign performing groups, American musicians, and American Indians to come to the festival from all parts of the United States and abroad. Through the labor unions, American working men again will come from all parts of the United States to join in festival activity.

## WASHINGTON, D.C.

Also, our agency has singled out the District of Columbia as a special situation, and provided some \$400,000 to help the Nation's Capital as the focal point of the national Bicentennial, particularly on the weekend of July 4, 1976.

Following the instructions laid down by the Appropriations Committee of the House last year, we have tried to take certain steps to insure that the visitors to the Nation's Capital will have a stay which is memorable, not only to them, but also to the host and the residents of this city.

## COMMEMORATIVE SALES PROGRAMS

The ARBA licensing program also was undertaken at the specific direction of the Congress. Congress instructed me as the Administrator to make available to the public a selection of commemorative artifacts and memorabilia appropriate to this occasion. We have come under considerable fire and controversy, but again I think it was proper that the Congress instructed us to take this step. America has always been a nation of collectors, and will want appropriate memorabilia for this occasion.

## BICENTENNIAL COMMERCIALIZATION

Of course, I am disappointed over some of the advertisements and some of the things that are being imported, and indeed, by some of the things being manufactured by our free enterprise system. However, as a Government officer, I have not taken any steps, nor do I have the authority to curtail what is going into the private marketplace. In my judgment, it would be a step backward for the Government to try to restrict what is being manufactured or sold in connection with the Bicentennial.

I have used the example of a person going into a newsstand and with one hand reaching for any book, periodical, or magazine that he or she may wish to read, and at the same time being denied with the other hand to reach on the same shelf and pick out a souvenir which they deem appropriate to their individual taste.

In my judgment, it will not be, as some of the critics say, a "Buy-Bicentennial" or a "commercial rip-off." The American public have the good judgment to decide for themselves what they wish to buy and what they wish to leave on the shelf to gather dust and be discarded.

I have with me this morning our latest computer readout, which now contains in excess of 40,000 individual programs and events across each of the 50 States, the territories, Puerto Rico, and the Nation's Capital. And in a very interesting analysis, we subdivided these volumes into the East and West, and they are very nearly equal in content. There is as much activity west of the Mississippi as there is east, in support of our Nation's Bicentennial.

## COMMEMORATIVE MEDALS

Returning to the question of licensing, we are pleased that from our national medals program close to \$30 million has been generated,

and that \$30 million has gone promptly back largely to the States to support Bicentennial programs and projects.

We are currently underway with the National Bicentennial Medal. There are seven versions of this national medal all identical in design. One side contains the Statue of Liberty, representing that we are a nation of nations and people from all over the globe. On the reverse side is the Great Seal of the United States.

This is the \$5 version. This is a 3-inch solid gold version, desired by collectors, which sells for \$4,000. The U.S. Mint at the present moment cannot keep up with the demand for these medals.

Senator STEVENS. You don't have any samples there, do you?

[Laughter.]

Mr. WARNER. It is public property, sir, and it is on sale. At the moment the Mint cannot fill the orders. We have sold over \$5 million worth of these medals, and again, the proceeds are being quickly turned around and distributed to support Bicentennial projects.

#### USE OF REVENUES

The ARBA Board, as you know, includes four Members of Congress, the Chairman of the Board, Senator Brooke of Massachusetts; Senator Montoya of New Mexico; Congressman Caldwell Butler from Virginia; and Congresswoman Boggs of Louisiana. The Board has instructed me to see that this money is put back to the States, but in a manner that enables participation by women, youth, racial, ethnic, and native American groups. In the past 9 months, the grants to the States, funded from these licensing and medal programs, have indeed aided this segment of our population in greater participation in the Bicentennial.

Turning now to the \$1,965,000 budget request detailed in our report to you—I would be happy to address any particular part that you may wish.

#### STATE FUNDING

There is one difficulty. When this budget was put together we did not estimate accurately the tremendous enthusiasm and participation by the State Bicentennial commissions. As you know, there are 55 such commissions in the States, territories, Puerto Rico, and the Nation's Capital.

They are rapidly running out of funds. And I deem it imperative that we find a way to enable them to have another \$12,500 in support grants to carry them through the same period in which ARBA exists; namely, to carry them through June 30, 1977.

Senator STEVENS. For each State?

Mr. WARNER. For each State. Some of the State commissions, I regret to say, will simply have to close their doors this summer unless we provide these funds. So we are prepared to provide another \$687,500, representing \$12,500 to each State. But that is not included, as you know, in the \$1,965,000.

That concludes my opening remarks, Senator. I would be pleased to answer any questions that you may have.

## BICENTENNIAL SCHOLARSHIP PROGRAM

Senator STEVENS. What about that unobligated balance of \$2.6 million at the end of fiscal 1977?

Mr. WARNER. Yes, that is an estimate. Assuming the estimates are good, I have recommended that there be at least one national program of a lasting remembrance of our Bicentennial. I have been fearful that so much of the activity will just fade in memory and in pages of history, and there should be a legacy of the Bicentennial for future generations. I have recommended a Bicentennial scholarship program, whereby the beneficiaries, young Americans, would be designated as Bicentennial fellows.

This would not be designed primarily to assist young people to get another degree. Quite the contrary. It is hoped that we can devise a program that would reach into our society and find those young persons who are potential leaders of century III, and to enable them to pursue a course of study, not necessarily institutionalized study, either in America or abroad, or a combination, so that they can better take up their responsibilities during century III.

It is surprising as you look over the panorama of national scholarship programs—of course, we think of the Fulbright and others—that there is really not a program clearly designated as a U.S. program. So often they are named in honor of individuals, particularly those involving foreign study. And I think this is an appropriate time in our history for the United States to establish such a program.

I hope that each of the State commissions will make some contribution toward this scholarship fund. But the principal financial support will come from our agency.

Consequently, I hope to set up a special account into which we will deposit any residual moneys from the sale of these medals and other artifacts, such as this mug, again bearing the national Bicentennial symbol.

Senator STEVENS. I do not think we would have any objection to that, but why can't you use the \$2.6 million to partially fund that balance that you need for the States?

Mr. WARNER. At the present time, that would be my intention. Under the ARBA law moneys granted to the States for the purpose of administration have to come from appropriated funds. Consequently, we will have to dip into our transition quarter appropriation moneys to fund State commissions, and then come back and reimburse that account through this nonappropriated revenue account.

Senator STEVENS. Well, we could authorize that in the appropriations bill, couldn't we?

Now, you have a reprogramming request here, I understand.

Mr. WARNER. We have advised the committee of our intentions to use the transition quarter appropriation for this purpose.

Senator STEVENS. \$687,500. Could that be funded out of the \$2.6 million?

Mr. WARNER. That is merely an estimate of available revenues.

Mr. SKORA. Mr. Chairman, the ARBA has the legal authority to use that transition appropriation money for this purpose, and we have advised the committees of our intention to do so.

## FINANCIAL ASSISTANCE TO STATES

Senator STEVENS. You do not think the States can generate their own funds to wind up their function?

Mr. WARNER. We are dealing with 50 different States. I would say some can raise it and others cannot. The Bicentennial, as I repeat—and I think this is a beautiful part about it—has been financed by the people, the contributions coming from individuals themselves in the private sector. I have often said that the Bicentennial will go down in our history as really the most massive volunteer movement that we have had in our Nation's history during peacetime.

Senator STEVENS. Well, we congratulate you for generating that support.

## GRANTS PROGRAM

What about the matching funds? I am informed that of the \$11 million appropriated for matching funds, only \$6 million has been granted. Will the balance of the \$5 million be granted in the current fiscal year?

Mr. WARNER. Yes. We have informed the States that they must meet a deadline.

Mr. HALL. June 30, 1976, is the deadline.

Senator STEVENS. Do you anticipate it will be met for the full \$11 million?

Mr. HALL. Yes. We passed the \$7 million mark this week, and we expect the funds to be fully obligated by June 30.

Senator STEVENS. Will you use any nonappropriated funds to match the grants?

Mr. HALL. No. However, as the Administrator reported, the ARBA Board has just committed another \$2.2 million in revenue funds for another \$40,000 matching grant program to the States, effective February 10. We have just sent out the guidelines on that and applications must be submitted before June 30.

The rate of match, which I think you alluded to in your earlier question, by the States, has been running about 4 to 1. For every one Federal dollar, there have been four non-Federal dollars matched to fund the project.

## STATE MATCHING GRANTS

Senator STEVENS. Could you provide for the record information on how much grant money the States have applied for, and how much matching money the States will provide?

Mr. WARNER. We will be happy to provide that information, Senator.

[The information follows:]

ARBC/ARBA GRANTS  
to  
States and Territories

TYPE OF GRANT	NO. OF GRANTS	FEDERAL SHARE	STATE SHARE	TOTAL COST
Non-Appropriated \$40,000 (FY 1974)	501	\$ 2,122,385	\$ 8,464,442	\$10,586,827
Non-Appropriated \$40,000 (FY 1975)	406	2,101,753	6,546,959	8,648,712
Non-Appropriated \$40,000 (FY 1976) through 3/1/76	546	1,850,256	7,363,645	9,213,901
Appropriated \$200,000 Thru 3/1/76	1822	7,108,487	23,868,542	30,977,029
<b>TOTAL:</b>	<b>3275</b>	<b>\$13,182,881</b>	<b>\$46,245,588</b>	<b>\$59,426,469</b>

Under the 1976 - \$40,000

- 32 States applied for full \$40,000
- 9 States applied for over \$35,000
- 3 States applied for over \$30,000
- 2 States applied for over \$25,000
- 4 States applied for between \$10,000 and \$25,000
- 2 States applied for under \$10,000
- 3 States have not applied for any funds

Under the Appropriated \$200,000

- 7 States applied for full \$200,000
- 15 States applied for over \$175,000
- 9 States applied for over \$150,000
- 10 States applied for over \$100,000
- 2 States applied for over \$50,000
- 8 States applied for under \$50,000
- 4 States have not applied for any funds

Thirty-two States have applied for the full \$40,000 (1976)

Alaska	Louisiana	New Hampshire	Rhode Island
Arizona	Maine	New Jersey	Texas
Colorado	Maryland	New Mexico	Utah
District of Columbia	Michigan	New York	Vermont
Hawaii	Mississippi	North Dakota	Virginia
Idaho	Missouri	Oklahoma	Virgin Islands
Iowa	Montana	Pennsylvania	Washington
Kansas	Nevada	Puerto Rico	Wyoming

Nine States have applied for over \$35,000

Arkansas (\$39,793)	West Virginia (\$39,963)
Delaware (\$36,006)	Massachusetts (\$38,000)
Georgia (\$35,850)	North Carolina (\$35,475)
Nebraska (\$37,700)	Tennessee (\$35,037.50)
South Dakota (\$39,992)	

Three States have applied for over \$30,000

California  
Minnesota  
Wisconsin

Two States have applied for over \$25,000

Kentucky  
South Carolina

Four States have applied for between \$10,000 and \$25,000

Connecticut  
Florida  
Ohio  
Oregon

Two States have applied for under \$10,000

Guam  
Indiana

Three States have not applied for any funds whatsoever

Alabama  
American Samoa  
Illinois

TOTAL: \$1,850,256

FUNDS REMAINING: \$349,744

STATE PROJECT GRANTS  
(1976 Non-Appropriated)  
\$40,000

<u>State</u>	<u>No. of Grants</u>	<u>Federal Share</u>	<u>State Share</u>	<u>Total Proj. Cost</u>
ALA.	-	-	-	-
ALASKA	8	\$ 40,000	\$375,186	\$ 415,186
AM. SAMOA	-	-	-	-
ARIZ.	37	40,000	744,506	784,506
ARK.	9	39,793	61,204	100,997
CALIF.	7	33,997	72,903	106,900
COLO.	7	40,000	57,195	97,195
CONN.	12	10,300	94,257.80	104,557.80
DEL.	9	36,306	428,306	464,612
D.C.	19	40,000	124,156	164,156
FLA.	1	10,000	23,260	33,260
GA.	16	35,850	36,481.73	172,331.73
GUAM	3	13,245	13,268	26,513
HAWAII	14	40,000	97,395	137,395
IDAHO	2	40,000	740,000	780,000
ILL.	-	-	-	-
IND.	1	1,500	3,193	4,693
IOWA	13	40,000	40,000	80,000
KAN.	16	40,000	168,784.90	208,784.90
KY.	5	26,565	26,565	53,130
LA.	8	40,000	70,750	110,750
ME.	30	40,000	41,763	81,763
MD.	19	40,000	42,000	82,000
MASS.	11	38,000	67,217.30	105,207.30
MICH.	6	40,000	250,150	290,150
MINN.	9	32,500	57,910	90,410
MISS.	18	40,000	81,172.59	121,172.59
MO.	12	40,000	114,263	154,263
MONT.	10	40,000	107,453	147,453

<u>State</u>	<u>No. of Grants</u>	<u>Federal Share</u>	<u>State Share</u>	<u>Total Proj. Cost</u>
NEB.	8	37,700	355,247	392,947
NEV.	13	40,000	55,148	95,148
N.H.	11	40,000	293,830	333,830
N.J.	1	40,000	40,000	80,000
N.M.	13	40,000	41,200	81,200
N.Y.	21	40,000	40,000	80,000
N.C.	9	35,475	157,753	193,228
N.D.	13	40,000	109,429	149,429
OHIO	5	19,000	193,077	212,077
OKLA.	5	40,000	40,000	80,000
ORE.	12	23,163	64,934	88,097
PA.	3	40,000	208,553	248,553
P.R.	2	40,000	77,350	117,350
R.I.	7	40,000	236,295	276,295
S.C.	4	29,500	57,100	87,600
S.D.	16	39,992	53,249	93,241
TENN.	15	35,037.50	60,423	95,460.50
TEXAS	7	40,000	50,750	90,750
UTAH	3	40,000	82,508	122,508
VT.	17	40,000	42,000	82,000
VA.	1	40,000	55,000	95,000
V.I.	3	40,000	212,160	252,160
WASH.	1	40,000	40,000	80,000
W. VA.	11	39,963	91,247	131,210
WIS.	17	32,570.38	39,626.19	72,196.57
WYOM.	<u>26</u>	<u>40,000</u>	<u>105,626</u>	<u>145,626</u>
Total:	546	\$1,850,256	\$7,363,645	\$9,213,901

\$200,000 Appropriated Funds  
Deadline for Applying: June 30, 1976

7 States have applied for the full \$200,000:

Colorado	Pennsylvania
District of Columbia	Virginia
Idaho	Wyoming
Kansas	

15 States have applied for over \$175,000:

Arkansas (\$185,420)	New Mexico (\$197,407)
California (\$195,750)	New York (\$199,095)
Delaware (\$186,250)	South Dakota (\$191,453)
Florida (\$182,126)	Texas (\$188,500)
Georgia (\$184,506)	Vermont (\$198,278)
Hawaii (\$190,500)	Washington (\$194,428)
Iowa (\$182,170)	Wyoming (\$189,551)
Montana (\$178,324)	

9 States have applied for over \$150,000:

Arizona	Missouri
Louisiana	Nebraska
Maine	Oklahoma
Mississippi	Oregon
	Puerto Rico

10 States have applied for over \$100,000:

Alaska	North Carolina
Connecticut	North Dakota
Maryland	Ohio
Massachusetts	Rhode Island
Minnesota	Tennessee

2 States have applied for over \$50,000:

Alaska	Kentucky
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8 States have applied for under \$50,000:

Guam (\$21,250)	South Carolina (\$21,350)
Illinois (\$11,000)	Utah (\$27,500)
Michigan (\$34,500)	Virgin Islands (\$18,850)
Nevada (\$12,800)	
New Hampshire (\$29,757)	

4 States have not applied for any funds whatsoever:

American Samoa	New Jersey
Indiana	West Virginia

\*Note: "Applied" indicates applications have been received in the National Office.

Total: \$7,108,487

Funds Remaining: \$3,891,513

STATE PROJECT GRANTS  
(Appropriated)  
\$200,000

<u>State</u>	<u>No. of Grants</u>	<u>Federal Share</u>	<u>State Share</u>	<u>Total Proj. Cost</u>
ALA.	49	\$ 96,063	\$262,860	\$ 358,923
ALASKA	10	105,071	186,496	291,567
AM. SAMOA	-	-	-	-
ARIZ.	39	157,750	871,136	1,028,886
ARK.	67	185,420	344,859	530,609
CALIF.	10	195,750	579,670	775,420
COLO.	64	200,000	637,518	837,518
CONN.	61	132,675	1,059,560	1,192,235
DEL.	35	186,250	222,512	408,762
D.C.	8	200,000	209,745	409,745
FLA.	8	182,126	448,474	630,600
GA.	63	184,506	459,586	644,092
GUAM	2	21,250	22,050	43,300
HAWAII	37	190,500	325,347	515,847
IDAHO	7	200,000	392,125	592,125
ILL.	1	11,000	25,787	36,787
IND.	-	-	-	-
IOWA	37	182,170	187,170	369,340
KAN.	46	200,000	571,196	771,196
KY.	12	86,267	149,389	235,656
LA.	107	163,703	209,312	373,015
ME.	60	151,599	186,403	338,002
MD.	26	116,775	286,517	403,292
MASS.	1	100,000	116,567	216,567
MICH.	2	34,500	176,450	210,950
MINN.	52	124,527	1,101,706	1,226,233
MISS.	47	160,700	341,288.94	501,988.94
MO.	46	155,007	440,882	595,889
MONT.	75	178,324	1,121,724	1,301,048
NEB.	21	169,557	587,537	757,094

<u>State</u>	<u>No. of Grants</u>	<u>Federal Share</u>	<u>State Share</u>	<u>Total Proj. Cost</u>
NEV.	3	12,800	19,504	32,304
N.H.	43	29,757	159,191	188,948
N.J.	-	-	-	-
N.M.	39	197,407	197,407	394,814
N.Y.	59	199,095	927,673	1,126,768
N.C.	20	102,525	549,001	651,526
N.D.	51	134,200	278,670	412,870
OHIO	16	137,318	340,832	478,150
OKLA.	50	172,066	560,571	732,637
ORE.	97	157,479.31	1,866,621.31	2,024,100.62
PA.	7	200,000	1,517,750	1,717,750
P.R.	13	154,981	312,695	467,676
R.I.	18	109,458	589,028	698,486
S.C.	4	21,350	21,350	42,700
S.D.	45	191,453	489,342	680,795
TENN.	34	144,284	391,579	536,032
TEXAS	74	188,500	1,976,405	2,164,905
UTAH	4	27,500	108,575	136,075
VT.	68	198,278	271,283	469,561
VA.	1	200,000	475,700	675,700
V.I.	2	18,850	18,850	37,700
WASH.	93	194,428	724,361	918,789
W. VA.	-	-	-	-
WIS.	41	189,551	244,667	434,218
WYOM.	<u>47</u>	<u>200,000</u>	<u>303,818</u>	<u>503,818</u>
TOTAL:	1,822	\$7,108,486.31	\$23,868,542.25	\$30,977,028.56

## FESTIVAL OF AMERICAN FOLKLIFE

Senator STEVENS. What about the Smithsonian Folklife Festival? Last year our records indicate it was budgeted for \$500,000 for this fiscal year. Your justification shows that \$950,000 has been contributed.

How much has actually been obligated for that?

Mr. WARNER. The full \$950,000 has been obligated. This over a period of 3 years.

Senator STEVENS. What will be the total?

Mr. WARNER. The total cost for that production by the Smithsonian is several times that amount.

Mr. HALL. It is around \$17 million.

Senator STEVENS. Could you give us a record of what you have contributed to that?

Mr. WARNER. What we have contributed, yes.

Senator STEVENS. What will be the total amount that will be contributed, and what will be the total funding for it.

Mr. WARNER. All right.

[The information follows:]

## ARBC/ARBA FINANCIAL SUPPORT OF THE FESTIVAL OF AMERICAN FOLKLIFE

## NONAPPROPRIATED REVENUE FUNDS

Fiscal year:	Matching grant to Smithsonian
1974.....	\$200,000
1975.....	250,000
1976.....	500,000
Total .....	950,000

Senator STEVENS. Is there any part of the 1977 budget to fund that folklife festival?

Mr. HALL. No.

Mr. WARNER. I would be very doubtful; unless they had a very pressing need for funds, we do not at the present time intend to grant more money.

## BUDGET REQUEST

Senator STEVENS. How much funding will be required in fiscal 1977?

Mr. WARNER. \$1,965,000.

Senator STEVENS. That is the appropriated funding. Now, how much total funding?

Mr. WARNER. Well, I have been very careful to only use appropriated moneys for salaries and administrative expenses of the agency. Moneys from nonappropriated sources, such as the medals program are primarily used to support National and State Bicentennial programs and for some contracts in furtherance of such programs.

## ADDITIONAL FUNDS FOR STATE USE

Senator STEVENS. Could you tell us, if you get approval of the \$687,500, will there be a need for any additional funds for State use?

Mr. WARNER. Not to my knowledge. But if you were to open the door, I am sure the States would come forward with some suggestions.

Senator STEVENS. We get more suggestions on how to use money than any committee I know.

Mr. WARNER. I do not want to be presumptuous and speak on behalf of all the States, but I am very pleased with the record of our staff in fulfilling the needs and improving the relationships between the ARBA and the 55 commissions.

Senator STEVENS. Are the State commissions also going out of business?

Mr. WARNER. Some begin to phase out as early as September 1976.

Mr. Hall?

Mr. HALL. Idaho goes out of business on September 30. Eleven States will discontinue operations by December 31. That means doors closed, records wrapped up, and completely out of business. A little over 20 percent of of the State commissions will be closed by the end of the year. And a good portion, I would say well over half, by June of 1977.

Mr. WARNER. There are quite a few individuals that think that the Bicentennial observance period should go on, over a period of 13 years. As you know, that would be the period in which our present governmental system was formed, the Declaration of Independence through 1789 when George Washington took office as the first President.

But I am confident that the Congress is right in its judgment, that this agency had a specific task to help the country get organized and then turn the Bicentennial over to the people. The momentum is there, and I think it is quite proper that this agency go out of business at the directive of the Congress; June 30, 1977.

Senator STEVENS. Be sure to give us your specific plans for the use of that \$2.6 million. We would not want to—

Mr. WARNER. We will inform the Congress in detail as soon as the Bicentennial fellowship program is approved.

Mr. HALL. Those are estimated revenues.

#### REGIONAL OFFICES

Senator STEVENS. Why is it necessary to keep five regional offices open through the first quarter of fiscal 1977?

Mr. WARNER. We feel it is imperative that we maintain a field capability through December of 1976 to assist State commissions in seeing several years worth of planning and effort to completion. Countless programs and projects which start this summer will go on for several months.

Senator STEVENS. Which offices are being kept open the extra quarter?

Mr. WARNER. We had originally planned to keep the Boston, Atlanta, Dallas, Chicago, and San Francisco offices opened through the end of December, 1976. After a continuing review of the situation, I determined that it would be better to keep all 10 operating with reduced staff through the end of November 1976. All 10 regional areas have similar problems and the ARBA has always tried to deal with them with equal attention and fairness.

Senator STEVENS. What are the direct costs in keeping those regional offices opened for an additional 3 months?

Mr. GOODRICH. Mr. Chairman, we estimate these costs at \$55,000 for rents for the 10 offices for the first quarter of fiscal 1977; that amount includes space, utilities, and communications for all 10 regions. Salaries for the reduced staffing levels for these offices will be around \$225,000 for the quarter.

#### BICENTENNIAL COMMUNITIES

Senator STEVENS. If all functions of the Bicentennial communities activity will terminate at the end of the transition quarter, why is funding required in fiscal 1977?

Mr. WARNER. The requested amount will provide for the compilation of data relative to the history of the program and its impact on the Bicentennial celebration as a whole. A final report will be printed and distributed to the entire communities network.

Senator STEVENS. How will the requested \$35,000 be utilized?

Mr. GOODRICH. Mr. Chairman, the \$35,000 will underwrite the gathering of information for the final report Mr. Warner mentioned. The funds will also cover the printing and distribution costs for the report which should total 15,000 copies.

#### INTERNATIONAL AFFAIRS

Senator STEVENS. You request \$85,000 for international affairs in fiscal 1977 compared to \$135,000 for fiscal 1976, yet this activity will only function for the first quarter of the year. Why is this level of funding required?

Mr. WARNER. The funds will underwrite staff costs of the three ARBA employees assigned to this office as well as the three foreign service officers detailed to us from the State Department. Additionally, the cost of the support services we will provide to the numerous foreign dignitaries is included.

#### BICENTENNIAL EXHIBITS AND FILMS

Senator STEVENS. Your justification of page 7 indicates a request of \$415,000 for Bicentennial exhibits and films, and on page 26 an amount of \$515,000. Would you set the record straight on exactly how much is being requested?

Mr. GOODRICH. We are requesting \$515,000 in appropriated funds to cover all costs of the final domestic showing of the World of Franklin and Jefferson in Los Angeles, Calif., and the final showing of the U.S.A. '76 Exhibition here in Washington, D.C. We also report that nonappropriated funds estimated at \$415,000 will be used to underwrite the final showing of Franklin and Jefferson in Mexico City starting in February 1977. Part of the nonappropriated funds will also be used to return the borrowed artifacts to various lenders. The U.S. Information Agency will provide support services to us in Mexico City similar to those provided in Europe for the exhibition.

#### SUPPLIES

Senator STEVENS. Why do you need \$25,000 for supplies in fiscal 1977?

Mr. GOODRICH. Mr. Chairman, we estimate that this amount will provide essential office supplies to the personnel remaining with the agency to effect the final closing by June 1977. The funds will cover a 9-month period and include normal supply items only.

Senator STEVENS. There's a \$205,000 request for your master calendar activity in fiscal 1977, a period when the work will be terminated. Why are the closeout costs so high for this activity?

Mr. WARNER. Of the \$205,000 requested, \$55,000 is for direct personnel costs. The remaining \$150,000 will pay for the archiving of the computer system. We will be assisted by GSA and the National Bureau of Standards in effecting the archival format for the BINET system.

#### USE OF REVENUE FOR OPERATION EXPENSE

Senator STEVENS. Why can't those anticipated unobligated funds be used for your phaseout expenses, thus saving the taxpayers the direct expense of your phaseout?

Mr. WARNER. As I indicated earlier, this is merely an estimate of what our revenues may be from the sale of the National Bicentennial Medal and the licensing program. Furthermore, ARBA has consistently advertised that net revenues from medals and ARBA licenses would be used for the support of national and international Bicentennial projects and events. In my judgment, it would be a breach of faith with the American public which invested in these commemorative items if ARBA were to use the proceeds for its salaries and expenses.

#### ACTIVITIES TERMINATION AND TRANSFER

Senator STEVENS. You have commented that the ARB Board may have some recommendations to make for the final transfer of ARBA functions to the Department of the Interior. Do you have any idea at this time what those recommendations might be?

Mr. WARNER. While I cannot speak for the ARB Board, it is my impression that the Board would not recommend the transfer by the President to the Secretary of the Interior of any of the present ARBA program activities. It is quite likely that the only functions, if any, transferred to Interior may concern administrative requirements pertaining to the conclusion and auditing of extant ARBA contracts and grants.

Senator STEVENS. Thank you.

I appreciate your courtesy, and it is good to see you here. I think your commission has done a tremendous job, and as you know, Congressman Boggs gave each one of us one of your Bicentennial pins. There has been very good reception here, I think, in the Congress of your activity.

Mr. WARNER. Thank you, Mr. Chairman.

NATIONAL FOUNDATION ON THE ARTS AND THE  
HUMANITIES

NATIONAL ENDOWMENT FOR THE ARTS

STATEMENT OF NANCY HANKS, CHAIRMAN,

ACCOMPANIED BY:

MICHAEL STRAIGHT, DEPUTY CHAIRMAN,  
RICHARD CONTEE, ASSISTANT CHAIRMAN FOR MANAGEMENT,  
JON E. YELLIN, BUDGET DIRECTOR

BUDGET REQUEST

Senator STEVENS. We will now turn to the budget estimates for the National Foundation on the Arts and Humanities. Together these total \$185 million for fiscal 1977, which is some \$12.6 million over the appropriations to date for this fiscal year. The justifications have been included in part 2 of the record.

Let us proceed first with a statement of the National Endowment for the Arts. The request totals \$87 million, which is \$5 million over appropriations for fiscal year 1976.

PREPARED STATEMENT

Miss Hanks, it is a pleasure to welcome you again. Would you please introduce your associates for the record and give us a summary of your statement. Your full statement will be printed in the record.

[The statement follows:]

(589)

Mr. Chairman and members of the Committee, it is my pleasure to once again appear before you on behalf of the budget request of the National Endowment for the Arts. Before discussing our agency's request for fiscal 1977 let me express the real gratitude and appreciation of the fields and people we serve, for the Congressional appropriation of \$82 million for fiscal 1976 and of \$33.937 million for the Transition Quarter.

The \$87 million budget request for fiscal 1977 is a \$5 million increase over fiscal 1976. While modest, it will enable the Endowment to encourage a pattern of growth in support of the arts throughout the country. Even in the six weeks since the requested budget figures were announced, the state arts agencies and the private cultural institutions have begun to use the request for an increase to their advantage. The President's request is being used to encourage governors, mayors, foundation officers, corporate executives, union officials and educational leaders to increase their support of our cultural institutions and our artists.

#### Budget Profile

We are requesting appropriations totaling \$87 million in federal program funds: \$79.5 million in Definite Appropriation and \$7.5 million in Indefinite Appropriation (Treasury Fund). The increase of \$5 million over the current year level is all in our Definite Appropriation.

The Arts Endowment faces a growing demand caused by increasing visibility, more groups meeting eligibility requirements, burgeoning public interest, and a high annual national inflation rate -- which is unavoidably higher in many areas we assist because they are labor intensive and/or travel intensive -- a dance touring company is a prime example. In light of these factors, the 6% requested increase is extremely modest.

#### Financial Realities

Endowment funds are channeled to institutions, individuals, and state, regional, and community organizations in support of cultural enterprises. The crucial value of art as conveyor of our Nation's central and highest values is readily acknowledged. Too often, however, the connection between healthy cultural activity and favorable economic impact is not made:

- Cultural activities are often key to increasing tourism, a major industry in many communities -- small as well as large;
- Cultural organizations make a significant contribution to income and employment in a number of support industries, such as printing, advertising, food services, and facilities maintenance;
- People who attend cultural events spend approximately 80% more than the cost of their ticket on ancillary services, such as restaurants, taxis and parking;
- Cultural organizations are a key factor in influencing executive and industrial relocations;
- Renovation of architecturally important buildings can put land back on the tax rolls.

However, even though cultural institutions and artists are economic resources, they themselves face serious economic problems. Recent studies such as The Ford Foundation's The Finances of the Performing Arts project a dramatically growing earnings gap (the difference between earned income and expenditures) through 1981. The study analyzes 166 organizations -- theatres, operas, symphonies and dance companies. The Endowment's own

survey, MUSEUMS USA, indicates an equally bleak outlook for the Nation's repositories of our treasures in art, history and science.

Cultural activities are labor intensive industries which do not often lend themselves to labor or money-saving devices. Of course, the number of security guards can be reduced in the museums -- by closing galleries or the whole museum. Even though performing artists' salaries are low, they must be paid for the show to go on -- and one cannot fire one oboist in a symphony and just ask the others to play louder. According to MUSEUMS USA, senior personnel -- based on job responsibility, not age or tenure -- averaged \$10,600 annually. Using the latest census figures available, the median income of male actors is \$6,816. Median income of female dancers -- \$3,469.

Clearly, for our cultural organizations to survive, pay adequate wages, and serve their publics, additional funds are essential. One way to raise the monies would be to raise ticket prices or admission fees beyond the reach of the average citizen. This is unacceptable. Another would be massive federal funding of cultural enterprises. This is undesirable. A third and most acceptable way pertains to developing a plurality of sources of support -- with the Federal Government playing an active leadership/catalyst role.

As mentioned earlier, federal funds for the arts are critical to the encouragement of private and other sources of support. The Endowment has more than 10 years of experience which supports this claim. An illustration involves the use of the Treasury Fund. This committee has appropriated \$7.5 million in Treasury Fund monies in fiscal years 1975 and 1976. These funds were overly subscribed with outside funds last year and this will happen again this year. Since this fund involves a three-to-one match, the \$15 million in federal money will stimulate \$45 million in private and other nonfederal support for the arts over the two years. Moreover, nearly all of our other grants are matched on at least a one-to-one basis. Some result in up to five-to-one match of other dollars to federal funds. The importance of federal money in stimulating support is vital. In fact, the Endowment's leverage ability to increase other monies is the only hope, in the long run, to prevent the necessity of federal funds becoming dominant in cultural financing as is the case in almost every other nation in the world.

#### Growing Demand for the Arts

New York Times art critic Hilton Kramer stated: "We are now a society intent upon availing itself of cultural goods and services to an extent never before known to the history of civilization." All indications point to the correctness of Mr. Kramer's observation. Attendance figures at just 30 American orchestras (there are more than 1,000) show that more than 12.5 million people attended concerts during the 1974-75 season, a 1 million increase over the previous year. A survey of approximately 40 "OPERA America" membership companies shows an attendance increase of over 40% between the 1973-74 and the 1974-75 seasons.

Also, more and more people are enjoying special summer festivals in their home communities. A review of Endowment-aided programs held last summer in a number of states also points to a dramatic rise in attendance -- almost a 500% increase.

Another growth indicator is the increasing number of institutions. For example, last year 84 dance companies were eligible in terms of professional and management standards to participate in the national Dance Touring Program; next year there will be more than 135. In music, there are 105 fully professional orchestras in the United States this year; there will be at least 8 more next year. Until the mid-1960's, there were only a handful

of nonprofit professional theatre companies; now there are more than 50 in 40 cities in 22 states.

While only a few examples are given above, the demand and growth factor is evident in all of the Endowment's broad constituency: Museums of art, history and science; Visual Arts including crafts, photography and fashion; Literature, including writers, poets and playwrights; Music, ranging from symphonic and opera to jazz/folk/ethnic and contemporary; Theatre, including classical, modern and developmental; Dance, both touring and resident; Public Media in film, radio and television; Architecture and the Environmental Arts; the Folk Arts; the arts of the community through Expansion Arts; the arts in the schools and other educational settings through Education; the arts as served by the states and regions through Federal-State Partnerships; and the arts in various interdisciplinary forms through Special Projects. A broad constituency, indeed, and one spelled out in our authorizing legislation and existing in every corner of our land. A constituency composed of institutions and individuals and the people they serve.

#### A Word on the Bicentennial

The Endowment's broad constituency is deeply involved in our Nation's 200th anniversary. Our people will take great pride in the cultural stature of the Nation as exemplified by institutions and groups, large and small, and in the individual talents of our artists and craftsmen.

The Endowment, in accord with the expressed views of Congress and the National Council, considers the bicentennial not as an end in itself, not as a moment for temporary celebration, but as a gateway toward future improvement. Only ongoing programs with an abiding value have been supported. Those, by their very nature, require a continuing commitment.

#### Total Endowment Programming

Actually, all of the Endowment's programs require continuing commitment. Assuredly, some specific projects within broad program areas are phased out when their usefulness is no longer paramount. In the Museum Program, for example, within a matter of a few years we will basically have helped solve the major problems of renovation necessary to preserve museum collections. When this is accomplished, attention can be shifted, to other priorities, such as better security measures.

The National Council on the Arts reviews and evaluates each of the 12 programs and more than 100 project areas every year. It also reviews the three basic goals of the Endowment and finds them to be as pertinent today as they were when established some years ago. They are:

1. To increase the availability of the arts of quality to all our citizens;
2. To strengthen our cultural resources so that they can be truly responsive to the rapidly growing demands placed on them;
3. To advance our cultural legacy by assisting gifted artists and by encouraging the preservation of our heritage.

In addition to the advice of the National Council on the Arts, the Endowment's panel system weaves responsiveness into the Endowment's basic fabric. Panels of experts in all cultural fields and from all areas of the country not only review each application but also engage in program evaluation and planning. Because the panelists are directly involved in their fields on a day-to-day basis, the Endowment is assured that the latest developments are taken into account in setting priorities and directions.

The Endowment is committed to responsiveness in its support of cultural activities in all parts of the country where there is a call for them, including the so-called "have-not" areas. When the demand exists, the Endowment sometimes responds by establishing new programs. For example, through the CITY SPIRIT program, initiated last year, technical assistance is provided to various groups, such as municipal governments, unions and business organizations, who are interested in planning together for their communities' cultural life.

The Endowment is committed also to being responsive to the needs of the various forms of art as soon as it has sufficient funds available and the demand exists. Folk arts is a good example. While grants had been made in the folk arts area since the beginning years of the Endowment, it was not until fiscal 1975 that we were able to establish a separate program and to augment funding for the folk arts through various other Endowment programs, including Music, Artists-in-Schools, Expansion Arts, and Museums. Funding for the folk arts has more than doubled in fiscal 1976 and a major increase is also planned for 1977 if funds are available. The folk arts have been a particular area of concern to the Appropriations Committee in the past year and we are very pleased to be able to report this progress.

#### Federal-State Partnership

The Committee, too, is always interested in the state arts agencies. Reflecting broadly diverse political and cultural environments, state arts agencies are today at many different stages of development. They range widely in all aspects of professional direction, board composition and function, relationships to other units of state government and to regional associations as well as to their cultural constituencies, and level of state appropriations.

The Endowment's authorizing legislation, signed in September 1965, included a section providing funds for matching grants to official state arts agencies. Only a handful existed in 1965; today they exist in all states and five jurisdictions. With Endowment help and encouragement, state arts agencies are strengthening their programs and increasing the financial support they receive from state legislatures. Total state appropriations have reached about \$61 million (\$35.7 in New York).

The National Endowment's own legislation provides for basic grants of equal amount to all state arts agencies. The amount provided in this way has increased steadily under the legislative formula from \$39,000 per agency eight years ago to \$205,000 this year, and would rise to \$217,000 per agency under our fiscal 1977 budget request.

In addition to the basic grant, each state arts agency is eligible to apply under a wide range of Endowment funding categories in all 12 of our major programs, and indeed they are receiving substantial funding over and above the "basic grants."

As the legislation specifies, nearly all the grants require at least a \$1 for \$1 match. The roughly 50% of state arts agencies whose legislatures are not appropriating funds sufficient to match Endowment monies are securing the match through other means.

#### Program Summary

To summarize, the program budget before you today is lean; it contains no frills. Each additional dollar we are proposing is critical to maintaining the present program. We will be slowing the pace of development of some programs and we will be deferring all new initiatives. We request full fund-

ing of our program request and respectfully note that two one hundredths of one percent of the national budget does not seem too great an investment to make in the cultural life of the Nation. For, indeed, one measure of any civilization is in the quality of the cultural life it provides all its citizens.

#### A Word on Administration

There are considerable administrative pressures on the agency. You will note that this fiscal 1977 budget request does not call for any additional administrative funds. We are asking for the same amount as in 1976 which was basically the same amount as in 1975. Such funds will give the Endowment the same staff limitations in 1977 as it had in 1975 -- 130 full-time permanent employees, 70 part-time employees and a few temporary employees depending on funds available. This hold on administrative funds and personnel is in response to the desire to hold down costs throughout the Federal Government. It is made in the face of statistics like the following:

- In the first six months of this fiscal year, we have logged in over 11,000 applications for support as compared with 13,400 for all of last year;
- The Endowment's Correspondence Unit, which is responsible for handling the Chairman's mail and Congressional mail, reports a 91% increase in letters received over the past two years;
- Our main information telephone number shows a more than 114% increase in incoming phone calls between October 1974 and October 1975;
- There are presently over 25 pieces of legislation pending before the Congress that affect the arts and which this agency must monitor in order to be responsive to the Congress and to the public.

During fiscal 1975, the Arts Endowment's expenditures for administration equalled 4% of our program costs. For the whole Arts and Humanities Foundation, including those administrative services which the two Endowments share, the figure was 6%. It is our estimate that based on our budget request those figures will drop to 3 and 4% respectively in fiscal 1977.

## SUMMARY REMARKS

Miss. HANKS. Thank you. Good morning, Senator.

Richard Contee, Assistant Chairman for Management, Michael Straight, who is Deputy Chairman of the Endowment, and about to move to your State. He is such an admirer of it. He is just back from there, and found it very interesting. Ann Murphy, who is our congressional liaison officer, and Jon Yellin, who is head of our Budget Division.

This morning before I discuss the appropriations request for fiscal 1977, Senator Stevens, I would like to say that when the National Council of the Arts had its meeting in early February they asked me particularly to express the members' appreciation to this committee and to yourself and Senator Byrd as leaders of the committee for the appropriations in fiscal 1976 of \$82 million and \$33.937 million for the transition quarter. They are very grateful and appreciate your understanding.

As you know, this committee was very generous in its appropriation to the Arts Endowment, which enabled us to achieve these moneys.

The budget submission to the committees was prepared prior to the meeting of the National Council of the Arts, as we noted in the submission, and I would like to report to you therefore on the discussions at the National Council.

## COUNCIL COMMENTS ON THE BUDGET

In early February the Council reviewed the budget submission and the proposed statement that you have asked be submitted in the record. The members agreed with the allocations made and the philosophy, and they also requested I make several points this morning largely for emphasis and not for difference with the views expressed.

They wish to emphasize the growth in numbers of institutions during the past 10 years that fall within our constituency because they are very dramatic indeed. And they felt that these had not been noted as they might.

I have a list that I would like to submit for the record, and I would also like for you to look at them, if you would, now because they show a tremendous change in the whole structure of the arts in the country in the last 10 years.

[The information follows:]

## ESTIMATED GROWTH IN SELECTED CULTURAL FIELDS: 1965-1975

Field	Number in 1965	Number in 1975
State arts agencies	12	55
Community arts agencies	175	900
Museums:	1700	1880
Art	(320)	(350)
Science	(270)	(290)
History	(640)	(705)
Combination	(470)	(535)
Professional orchestras	58	105
Professional opera companies	27	45
Independent schools of music	20	17
Resident professional theatres	15	50
Developmental theatres	10	95
Resident professional dance companies	10	51
Professional touring dance companies	27	87
Regional media centers	1	29
Graduate programs of arts administration	0	14
Community cultural centers/expansion arts	6	25
Small literary magazines	450	700
Independent presses	200	350
Total, number of groups	2711	4403
Artists-in-Schools	36	2000

Miss HANKS. As you will note for example, 10 years ago there were approximately 12 State arts agencies; today there are 55. Community arts agencies then numbered approximately 175; the latest estimate is between 900 and 1,000. There were 15 professional theaters; today there are 50.

Another example, just a totally new movement in the country, is the development of regional media centers. There was maybe one in 1965; today there are more than 29.

I have just given you some examples to show the tremendous change in the last 10 years in the cultural institution scene, and also very importantly, in the development of funding sources such as the community arts agency and the State arts agency.

The Council also believed that the statement submitted failed to present to the committee the significance of our ability in the past 2 years to move toward meeting our constituency's need for long-term planning.

Through the understanding and help of this committee, and of Mr. Dyer in particular, we have been able to move all grants to the State arts agencies and to the large institutions, or to those with seasonal needs in the transition quarter. This is extremely important in terms of long-range planning and very beneficial to them.

However, what we failed to note in the testimony, or indeed, in our presentation to OMB, is that this means we will be considering applications for fiscal 1977 funds that will be for expenditure 18 to 24 months from now; namely for the 1977-78 season of the orchestras, operas, and dance companies and theaters. This is also true for the fiscal years of State arts agencies and for the budgets of museums.

This situation is fine; really it is marvelous in terms of long-range planning, and it is of great help to the field. But the Council felt

that the committee should be apprised that the Endowment really should be taking into account not a 1 year growth in terms of numbers of institutions and in rising cost due to demand, but rather a 2-year growth factor.

These points that the Council asked me to make today are made with the intention of underlining the point in the opening statement which has been submitted, that this is indeed a very lean budget. We believe it is a sound one.

We are requesting appropriations totaling \$87 million in Federal program funds; \$79.5 are in definite appropriations, and \$7.5 indefinite. The increase of \$5 million which we are requesting is all in our definite appropriation.

Of course, we will be happy to answer any questions that the committee has to ask about the budget. I have kept my remarks brief, although as you know, I could go on at some length about the report.

#### STATUS OF REAUTHORIZATION BILL

Senator STEVENS. Thank you very much.

What is the status of the reauthorization bill?

Miss HANKS. It is my understanding now from the House and the Senate that they believe they will have a new bill by Easter. They had hoped both in the House and in the Senate to move the new legislation early in the session. However, some of the problems came from outside for the leadership of both committees, and they had to divert their attention to other legislation, and therefore, have not been able to get to ours.

Senator Stevens, as you know, the administration has requested in effect an extension of the present legislation. We are not yet aware of how the bill will be drafted as it comes from the Senate or the House. Bills have been introduced in both those Houses, that are quite different in that they recommend a Museum Services Act, they recommend a percentage set aside for the American Film Institute, and they had recommended the Museum Indemnification Act. But as you know, that legislation passed separately through both House and Senate and was signed by the President in late December.

#### AMERICAN FILM INSTITUTE SUPPORT

Senator STEVENS. Do you support this set-aside for the American Film Institute?

Miss HANKS. No, sir.

Senator STEVENS. I understand there has been some discussion on the House side about the problem with regard to the grants to the American Film Institute. The conference committee report indicated that the funding was not to exceed the 1975 level, but I understand it has. Would you enlighten us on that?

Miss HANKS. Yes, I would be very happy to do so. We became aware of a possibility that the conference committee's report might contain language directed to the American Film Institute for the first time when the Senate issued its report on appropriations. And that, I believe, was in November of 1975.

In line with our own administrative practices, but also at the urging of the House and Senate Authorization Committee, we had been moving Council action as far in advance as we could in connection with the American Film Institute, as well as with the other major institutions and the State arts agencies.

The whole plan is to assist the constituencies to do their long-range planning. Therefore, action on the 1976 grant to the American Film Institute was taken by the Council in, I believe it was May of 1975 for fiscal 1976. The American Film Institute's fiscal year begins on July 1. So even that was late for them to know the amount of monies that they would have.

The Council, after thorough review of the American Film Institute, and with particular pleasure that the American Film Institute has really begun to generate more monies from the movie industry and from private sources, felt that the grant which had stayed at the same level for some years should be increased to \$1.290 million. That is the basic grant; that does not include the contracts, nor does it include special funding for an education study.

Therefore, that action was taken in May. We were on continuing resolution. Our lawyers, of course, checked with the GAO, and they thought it was perfectly appropriate for us to move ahead on not only the American Film Institute, but on other institutional grants that are being moved in advance.

Senator STEVENS. None of the rest of them were in excess of the prior year, were they?

Miss HANKS. Yes, they were.

Senator STEVENS. Were they?

Miss HANKS. Oh, yes. I will have to check. I believe the orchestras and opera companies stayed the same because we did not have enough money. But some grants were higher in those categories. I would have to check to see the total complex. But we were well under, or we were well within the figure of the continuing resolution.

[The information follows:]

In addition to the AFI general grant, some 90 percent of the basic State Agency grants were written at \$205,000 each which is an increase of \$5,000 per grant over the Fiscal 1975 level. Other increases necessary in grants during this time period were in the major orchestra program, which were generally increased from the maximum of \$140,000 Federal funds in 1975 to a maximum of \$150,000 Federal funds. Top residential professional theatres were awarded an increase in grant amounts from a maximum of \$140,000 in Fiscal 1975 to a maximum of \$150,000 during this period.

#### GRANT INCREASES UNDER CONTINUING RESOLUTION

Senator STEVENS. That figure was your prior year's appropriation, wasn't it?

Miss HANKS. Yes.

Senator STEVENS. We do not understand how you could increase grants during a period of a continuing resolution prior to final action on the appropriation bill.

Miss HANKS. Well, the Council has felt, and we have felt administratively that this is a practical approach. Given the questions from the committee, we certainly should explore the issue. We are sort of caught, sir, between a rock and a hard place because if, for management purposes, our constituency needs to know in advance the

amounts of monies that they will be getting, the Council takes a calculated risk in its recommendation. And administratively I hope that we are sound in judgment that we leave enough leeway that we can move the grants to those institutions without having to move them at a prior year's level, and then when action is taken in Congress, amend them all.

I mean, it would be an administrative terror. Now, I would have to say, Senator, that this past year was very unusual, as you are aware, and I do not think it will happen again.

Senator STEVENS. It might be legal to increase individual grants under a continuing resolution so long as overall spending doesn't increase, but wouldn't you normally want to keep things level pending congressional action on your appropriation?

Miss HANKS. We certainly want to keep things level, under our continuing resolution, on a program basis. That is to say, we have carefully maintained last year's level of budget categories at no increase whatever until after congressional action on our current year's appropriation. But it is sometimes necessary to make adjustments of grant levels within those established categories. This flexibility is most important to the Endowment in its efforts to stimulate matching funds, and to encourage long-range planning, by its grantees.

Senator STEVENS. In view of the committee's direction to bring a lessening of AFI reliance on Endowment support, why do you propose still another grant increase for fiscal year 1977?

Miss HANKS. The National Council on the Arts, advised by panels and staff, felt that the challenge facing the American Film Institute in the coming year would be twofold: its ability to meet the growing demand for its services from an increasing national audience for film art; and in maintaining its recently established trend toward increasing self-generated monies. The grant increase vote by the Council, after very careful deliberations, would challenge the AFI on both points.

#### TRANSITION QUARTER GRANTS

Senator STEVENS. Well that is our problem. Now we are going to a different fiscal year. How are you going to handle it?

Miss HANKS. We are very fortunate, because we will be moving into a fiscal year beginning in October. All of these major institutional grants will be moved into the fourth quarter rather than the first quarter.

Senator STEVENS. But they are on a July 1 budget.

Miss HANKS. Yes, but they are all being moved in the transition quarter.

Senator STEVENS. You are going to move the grants in the transition quarter?

Miss HANKS. Well, all the big ones. The problem is in long-range planning in the major institutions that have seasons; opera, theater companies, orchestra, dance touring, museums and State arts agencies.

Thanks to the help of this committee, we were able to obtain enough funds to move almost all of those grants in the transition quarter. That means the funds for those organizations in fiscal 1977 will not need to be committed until the third or fourth quarter of fiscal 1977. In other words, we will not be in a first quarter situation like we were this year.

Senator STEVENS. Since the bulk of the State agency grants is to be made from your transition quarter appropriation, it will free up more of the \$10 million of your 1977 budget for other activities, will it not?

Miss HANKS. No, this is key to the plan to provide greater lead time to some of our major grantees. This plan which was presented to the Office of Management and Budget and to the Congress recognized the needs of the major orchestras, State arts agencies, and other major grantees to have definite information on funding levels long before the projected start dates of proposed grant projects.

The Arts Endowment, with cooperation of key officials of OMB and the congressional committees, is deeply committed to the implementation of this plan. We will begin this early funding cycle of these major grantees out of funds available during the transition quarter for projects starting July 1, 1976. The real payoff results in fiscal year 1977. These grantees will have firm information on the levels of grants available for 1978 activities as early as midfiscal 1977. This early information will enable grantees, especially State arts agencies, to prepare grant plans and programing submissions to their legislative bodies.

In summary, the amount of funds granted to these organizations out of transition quarter appropriations will not free up a like amount for other fiscal 1977 grantees because the major grantees who received funds for fiscal 1977 activities from the transition quarter will receive from the fiscal 1977 third or fourth quarter grant funds for their fiscal 1978 activities.

Senator STEVENS. What other annual grants did you fund in the transition quarter?

Miss HANKS. Besides the basic State agency grants to the State arts agencies—\$11,275,000—the next largest number of annual grants will be in the music program with about 110 orchestra grants totalling \$6,100,000 and about 50 opera grants totalling \$3,000,000. In the theatre program we will fund about 60 professional theatre companies totalling \$3,715,000. Additionally, grants will be written in the other programs for projects beginning very early in the transition quarter.

#### STATE AGENCIES

Senator STEVENS. Your justification indicates the grants to State arts agencies are to increase from \$205,000 to \$217,000. Are the States also providing increased support?

Miss HANKS. We have always enthusiastically encouraged State participation in arts funding. Since 1966 State appropriations have risen from \$2 million to well over \$60 million. This year is no exception. In this year of economic problems, State appropriations have generally increased.

Senator STEVENS. Are there any State legislatures that are not appropriating amounts at least equal to the Endowment's basic grant?

Miss HANKS. Yes, there are. However, we are still optimistic. Even in those States, the appropriation amounts have been increasing significantly in the past 3 years and we feel they will, for the most part, come in line with our award amounts very soon. For example: Georgia—fiscal year 1974 \$90,000, fiscal year 1975 \$101,640, fiscal year

1976 \$159,586; Iowa—fiscal year 1974 \$50,400, fiscal year 1975 \$70,767, fiscal year 1976 \$196,777; and Nevada—fiscal year 1974 \$15,000, fiscal year 1975 \$15,000, fiscal year 1976 \$62,695.

Senator STEVENS. Please supply for the record each State appropriation for arts for the latest complete year.

[The information follows:]

NATIONAL ENDOWMENT FOR THE ARTS  
FY 75 STATE ARTS AGENCY FUNDING

	<u>Basic State Grant</u>	<u>Other Fed-State</u>	<u>Other Programs</u>	<u>TOTAL S/A</u>
Alabama	\$ 200,000	\$ 46,300	\$ 93,882	\$ 340,182
Alaska	200,000	80,500	190,488	470,988
Arizona	200,000	36,500	136,153	372,653
Arkansas	200,000	16,000	194,883	410,883
California	200,000	52,000	187,655	439,655
Colorado	200,000	23,565	61,705	285,270
Connecticut	200,000	71,000	149,567	420,567
Delaware	200,000	12,500	93,950	305,450
Florida	200,000	74,922	218,650	493,572
Georgia	200,000	11,000	65,600	276,600
Hawaii	200,000	22,500	206,575	429,075
Idaho	200,000	35,760	56,998	292,758
Illinois	200,000	70,845	332,923	603,768
Indiana	200,000	30,796	76,033	306,829
Iowa	200,000	35,218	64,416	299,634
Kansas	200,000	59,791	26,833	286,624
Kentucky	200,000	42,800	135,476	378,276
Louisiana	200,000	-0-	136,136	336,136
Maine	200,000	22,900	73,783	296,683
Maryland	200,000	123,500	112,760	437,260
Massachusetts	200,000	83,000	206,042	489,042
Michigan	200,000	81,900	222,828	504,728
Minnesota	200,000	72,000	141,200	413,200
Mississippi	200,000	25,000	48,333	272,333
Missouri	200,000	23,395	116,006	339,401
Montana	200,000	14,800	40,103	234,903
Nebraska	200,000	21,000	131,335	352,335
Nevada	200,000	22,775	52,200	274,975
New Hampshire	200,000	63,700	129,233	391,933
New Jersey	200,000	14,950	54,800	269,750

\*Pending final review for OMB Budget Submission.

	<u>Basic State Grant</u>	<u>Other Fed-State</u>	<u>Other Programs</u>	<u>TOTAL SA.</u>
New Mexico	200,000	50,800	71,300	322,100
New York	200,000	43,500	516,212	759,712
North Carolina	200,000	17,350	104,055	321,405
North Dakota	200,000	10,000	46,200	256,200
Ohio	200,000	10,000	120,150	330,150
Oklahoma	200,000	37,150	69,400	306,550
Oregon	200,000	61,595	100,965	362,560
Pennsylvania	200,000	44,500	326,418	570,918
Rhode Island	200,000	49,225	109,341	358,566
South Carolina	200,000	22,525	438,357	660,882
South Dakota	200,000	17,600	51,300	268,900
Tennessee	200,000	63,995	147,720	411,715
Texas	200,000	29,000	243,873	472,873
Utah	200,000	26,500	23,300	249,800
Vermont	200,000	13,075	55,317	268,392
Virginia	200,000	8,250	97,866	306,116
Washington	200,000	177,327	156,065	533,392
West Virginia	200,000	-0-	116,765	316,765
Wisconsin	200,000	39,300	31,200	270,500
Wyoming	200,000	18,050	43,900	261,950
Regional & National	-0-	213,600	-0-	213,600
Samoa	60,000	-0-	-0-	60,000
Wash DC	200,000	-0-	12,200	212,200
Guam	200,000	-0-	12,200	212,200
Puerto Rico	200,000	-0-	70,700	270,700
Virgin Islands	200,000	8,500	13,667	222,167
<b>: GRAND TOTALS</b>	<b>\$ 10,860,000</b>	<b>\$ 2,253,759</b>	<b>\$ 6,734,017</b>	<b>\$ 19,846,776</b>

## STATE ARTS AGENCY LEGISLATIVE APPROPRIATIONS\*

	<u>Fiscal 1974</u>	<u>Fiscal 1975</u>	<u>Fiscal 1976</u>
Alabama	\$ 125,000	\$ 125,000	\$ 250,000
Alaska	149,600	215,600	446,250 <sup>1</sup>
American Samoa	60,000	60,000	33,000 -
Arizona	68,700	82,500	86,700
Arkansas	166,727	167,465	281,997
California	1,033,763	1,000,000	875,000
Colorado	116,757	1,251,316 <sup>1</sup>	2,001,024 <sup>1</sup>
Connecticut	351,000	394,000	367,632
Delaware	41,000	43,128	58,850
D. C.	52,000	30,000	Not Announced
Florida	285,000	398,994	357,741
Georgia	90,000	101,640	159,586 -
Guam	36,800	37,000	13,214 - GR
Hawaii	106,307	599,083	998,553
Idaho	10,000	23,121	43,200
Illinois	795,300	925,000	1,278,400
Indiana	157,527	160,964	617,221
Iowa	50,400	70,767	196,777 <sup>2</sup> -
Kansas	65,000	79,124	88,962
Kentucky	153,930	225,800	290,400 <sup>3</sup>
Louisiana	44,000	59,792	68,614
Maine	161,000	163,000	156,241
Maryland	417,411	449,788	463,363
Massachusetts	600,000	1,600,000	1,000,000
Michigan	484,800	2,109,000	2,330,600
Minnesota	300,000	300,000	160,000 <sup>4</sup>
Mississippi	98,000	112,628	160,564 -
Missouri	654,920	1,249,209	1,499,600 -
Montana	27,550	27,950	75,049 -
Nebraska	35,464	129,390	177,583
Nevada	15,000	15,000	62,695 -
New Hampshire	45,679	45,079	59,356 -

	Fiscal 1974	Fiscal 1975	Fiscal 1976
New Jersey	\$ 430,107 <sup>1</sup>	\$ 792,998 <sup>1</sup>	\$ 671,464
New Mexico	35,200	65,000	83,500
New York	16,445,000	35,653,000	35,702,900
North Carolina	221,029	221,805	248,761
North Dakota	5,100	5,100	67,701
Ohio	846,623	976,161	1,302,030
Oklahoma	95,100	95,322	120,322
Oregon	51,167	53,350	138,695
Pennsylvania	758,000	1,490,000	1,490,000
Puerto Rico	5,369,316	3,604,567	3,275,200 <sup>1</sup>
Rhode Island	124,274	267,199	257,929
South Carolina	360,896	595,696	641,722
South Dakota	61,902	85,391	100,000
Tennessee	360,896	411,500	380,400
Texas	157,745	159,565	410,454
Utah	119,200	268,400	324,800
Vermont	52,000	50,000	50,000
Virginia	207,705	265,000	272,055
Virgin Islands	160,000	160,000	100,000
Washington	108,915	246,130	263,923
West Virginia	304,420	360,000	298,157
Wisconsin	49,100	59,900	102,200
Wyoming	12,755	14,567	27,560
TOTAL	\$33,125,085	\$58,151,989	\$60,987,945 <sup>5</sup>

GR: Governor's Recommendation - Subject to change

\*Figures current as of December 24, 1975

1 Contains earmarked funds for which SAA serves as conduit

2 Cost of living increase pending - subject to change

3 Governor also issued challenge grant of \$200,000

4 State legislature reconvenes in Jan. '76 for further appropriation. (SAA expecting total appropriation of \$500,000)

5 FY-76 total estimated by adding FY-75 appropriation figures for 1 state not announced.

## HIGH LEVEL OF AFI GRANTS

Senator STEVENS. You are still giving AFI more Endowment support than any other entity, aren't you, and propose an increase again this year?

Miss HANKS. We are giving the American Film Institute more support than any other individual organization, that is correct. And it has been a special situation for some time, because as you know, the film institute was established only 8 to 9 years ago. It was the hope of the sponsors who established it that there would be strong continuing support from foundations and from the movie industry itself.

After the first 3 years, when they did achieve that strong support, and the Government support was only one-third, the movie industry, as you recall, fell on very hard times. It is now back in good health, we are all glad to report. And the foundations pulled out because there was only one foundation.

The Council has been very concerned about this. We had a special committee on the National Council of the Arts that was chaired by Mr. Dayton, who is chairman of the board of Dayton-Hudson in Minneapolis, and he was joined by three or four others of our Council members, and they literally met in special session, special committee, every single Council meeting for the last 3 to 4 years to discuss the American Film Institute.

Now one of their greatest concerns was, of course, the lack of this private money because we deeply believe in terms of our philosophy, in terms of congressional philosophy of this Appropriation Committee, that Government money should encourage other money and we should not be in the dominant position in the funding.

Senator STEVENS. It is working just the other way around though as far as the committee is concerned, isn't it? The more Federal money we put up, the less private money comes, where we are not getting more nonfederal money—I am talking about the film industry now.

Miss HANKS. Oh, but I am so excited to tell you how there has been a turnaround. I might give you a few figures—we have been pushing and working with them, and they have been trying hard, and they are on a success story pattern right now.

In fiscal year 1973 the film industry support was \$593,000. Projected for 1976 is \$1,262,000.

Senator STEVENS. But why is it that the AFI continues to receive far and away more Endowment support than any other single cultural institution?

Miss HANKS. The AFI provides a variety of services. Its west coast operation includes a Center for Advanced Film Studies to improve the quality of young professionals entering the fields of film and television, and from this same base it runs the Endowment's fellowship program for independent filmmakers. In the East it coordinates the urgent work of film restoration being done at the Library of Congress, the Museum of Modern Art, and the Eastman House. It also has begun preparing film packages for regional touring and its publications program now includes a national magazine, designed to serve a broad national audience for film and television arts.

Many of these activities would have to be assumed by the Endowment itself, or be assumed by other organizations through grants from the Endowment, were the AFI's grant level to be reduced. This is why I say that the AFI provides a variety of services and its grant level reflects support of many activities.

#### FEDERAL-PRIVATE AFI FUNDING

Senator STEVENS. All right. What was the Federal support in 1973?

Miss HANKS. Senator, may I also give you the figures on private support to put them together.

In addition to the movie industry support, support from other private sources has moved from \$430,000 to \$1,108,000. So that is a total contribution this year from industry and from other private sources of almost \$2.4 million projected for 1976, in comparison to about \$1 million in 1973.

This is a remarkable group, and the trend line is constantly up. And the American Film Institute and its board assures us that this will be the situation.

Senator STEVENS. How much money did you contribute in 1973? What are the comparable figures now for Federal money in 1973 and Federal money in 1975?

Miss HANKS. Federal money in 1973 was \$1.1 million. It was the same in 1975 of \$1.1 million in terms of the basic grant.

Senator STEVENS. Well, that does not jibe with what we understand. You put a lot more money than that in the AFI in 1975.

Miss HANKS. Well, I am talking about the basic grant. We have contracted with the American Film Institute to carry out programs for the benefit of the field. For example, the National Endowment for the Arts, while it has fellowship programs in almost every other arts discipline, has contracted out with the American Film Institute to run its film fellowships. That is a direct contract. In other words, if they were not doing it, we would have it back in shop.

In the area of film preservation, we contract with them to work with their own archives, to work with the Library of Congress, to work with the George Eastman International Museum of Photography, and with the Museum of Modern Art to preserve the great American films. And I believe you know of the very serious problem with that.

So we view those as contracts, and they are not part of the general grant.

Senator STEVENS. Don't you think though that the theater, the dance, opera, and symphony orchestras and other areas are less healthy than the film industry? It would seem to me that the congressional intent was that that AFI grant should be limited, but we do not seem to have much control over it.

Miss HANKS. Well, sir, we were quite taken aback because, you see, we have not ever been directed by a committee. We had viewed the National Council on the Arts as our policy advisory group.

We have made the grant. GAO says we made it legally. We have not made the grant for the transition quarter.

The Council has recommended the increase to \$1.4 million, which is considerably less than the film institute asked for. But that grant,

sir, has not been made. It has been recommended strongly by the Council.

#### MEDIA SUPPORT

Senator STEVENS. You have a \$2.8 million request for media support. Does this represent your total request for these media?

Please supply for the record the Endowment's total support for each of these media over the past 3 complete years and estimated for 1976.

Miss HANKS. I believe this figure refers to those areas of the Endowment's programs which are listed in our budget under goal I, Availability of the Arts for fiscal year 1977. The areas included there are the public media program's programming in the arts, short film showcasing, American film series for television, regional centers and the joint endowment/corporation for Public Broadcasting program, and film projects under the education, expansion arts, and literature programs. Although these areas in public media represent the major effort of the Endowment with respect to film, television and radio, support is also provided for fellowships in film and internships in cable television, as well as funds for the American Film Institute. These are included in the budget under goal III, Advancement of Our Cultural Legacy.

Senator, if I might I would like to provide for the record the past three complete years and an estimate for 1976 in those areas of the public media program which are set out in the budget under goal I, Availability of the Arts.

[The information follows:]

I. 1976 (Estimate)

<u>CATEGORY</u>	<u>PRIVATE</u>	<u>TREASURY</u>	<u>TOTAL</u>
Programming in the Arts	\$2,071,500	\$500,000	\$2,571,500
Short Film Showcasing	30,000	-	-
Amer. Film Series	250,000	-	-
Literature Films	75,000	-	-
Regional Development	391,870	-	-
NEA/CPB	200,000	-	-
TOTAL	<u>\$3,018,370</u>	<u>\$500,000</u>	<u>\$3,518,370</u>

II. 1975

Programming in the Arts	\$1,085,848	\$460,000	\$1,545,848
Short Film Showcasing	128,039	-	-
Amer. Film Series	252,818	-	-
Literature Films	-	-	-
Regional Development	493,650	-	-
NEA/CPB	187,276	-	-
TOTAL	<u>\$2,147,631</u>	<u>\$460,000</u>	<u>\$2,607,631</u>

III. 1974

Programming in the Arts	\$ 398,642	\$503,000	\$ 901,642
Short Film Showcasing	98,500	-	-
Amer. Film Series	250,000	-	-
Regional Development	276,295	-	-
NEA/CPB	150,000	-	-
TOTAL	<u>\$1,173,437</u>	<u>\$503,000</u>	<u>\$1,676,437</u>

IV. 1973

Programming in the Arts	\$300,675	-	-
Short Film Showcasing	50,000	-	-
Amer. Film Series	-0-	-	-
Regional Development	142,130	-	-
NEA/CPB	163,000	-	-
TOTAL	<u>\$655,805</u>		

## ARCHITECTURE

Senator STEVENS. I note in your justification that you have started an architecture program for planning and design of cultural facilities. What has been the support to date for this program and what is estimated for 1977?

Miss HANKS. Over the years we have received more and more private and congressional inquiries concerning funding support for cultural facilities. In response, the architecture-environmental arts program initiated a program specifically for funding cultural facilities in fiscal year 1975.

This program makes grants to local governments and public and private nonprofit organizations to finance research on the design, planning and use of facilities for the arts. Grants cover costs of conducting research and of preparing and publishing reports, studies or other reference materials resulting from the research. Projects may involve general research on arts facilities, for example, exploration of ways in which endangered old buildings can be adapted for use as arts facilities or technical research on special requirements of arts facilities in general with respect to lighting, acoustics, air temperature controls, and security. Or they may involve research for a specific arts facility including feasibility studies; specification of facility requirements; technical studies of acoustics, studies of equipment needs, security and climate control for the facility; preparation of fund raising promotion materials; and architectural design studies relating to the facility.

Grants may not cover acquisition of real property, capital construction or renovation or modification of existing structures. Priority is placed upon projects benefitting communities that have lost their arts facilities due to disaster or which otherwise suffer from severely limited arts facilities and those benefitting neighborhoods where arts programs are related to plans for economic and social revitalization.

Grants usually will not exceed \$20,000. Usually, grantees will be required to contribute at least 50 percent of the total project costs.

The National Endowment for the Arts' funding support, through the architecture-environmental arts program budget, is as follows: fiscal year 1975, \$325,000; fiscal year 1976, \$546,765; and fiscal year 1977, \$600,000. That last figure is estimated.

## INCREASING PRIVATE SUPPORT

Senator STEVENS. With this increase in demand, and I think you set it forth very well, in growth of cultural activities—

Miss HANKS. Yes.

Senator STEVENS. We would think there would be increasing public support, or at least private capital support that would go along with it. But we do not seem to see that growth.

Miss HANKS. In connection with the film institute?

Senator STEVENS. Across the board in terms of that.

Miss HANKS. Oh, across the board the increase is tremendous in private money. In other words, the philosophy of the Government when this legislation was established was that Federal money should be used to encourage private and other money, it has very much proven to be true. All of our grants are matching. Most of our Federal

dollars are still turning up, you know, \$3 to \$4 of other money. And it is just an incredibly successful program in that we are not becoming dominant in the field. We are using our monies to raise other money, and I think this is particularly important to keep in mind. In effect, one of the major reasons to keep an increase, even as modest as it is, for the Endowment, is that the increase in Federal monies encourages greater private and State money.

#### INCREASED FEDERAL-PRIVATE SUPPORT RATIO

Senator STEVENS. We would like to be assured of that, Miss Hanks. The problem is I think your budget increased about sevenfold in a decade, and we do not see a comparable increase in private support, non-Federal support.

Miss HANKS. May I supply the figures?

Senator STEVENS. I think it would be very helpful to respond for the record.

Miss HANKS. I will give you both State agency and private money.

Might I mention, sir, that you see the increase in these numbers of institutions in the list I gave you earlier. For most of those institutions, the Federal support runs between 1 percent and 6 or 7 percent. Those institutions were established basically by private money. I will send you examples, as well as total figures.

You will be particularly interested in the increase, I believe, in State legislative money. I am particularly pleased to note, with the exception of New York, Massachusetts, and there may be one other State, that State appropriated money has stayed the same, despite the economic recession. In many States there have been substantial increases in 1976 and 1977.

#### MATCHING GRANTS

Senator STEVENS. There has been a suggestion that we shift a portion of these funds to an increase in the matching grants program. Would you have any comment about that?

Miss HANKS. Well, we require as an agency, a 1-to-1 match on every grant except for 20 percent, which we do not use except very rarely for emergency situations. In the treasury fund program we require a match of 1-to-3 minimum.

Is it your suggestion, Senator, that you would like to increase the treasury fund allocation for challenge grants?

Senator STEVENS. It is not my suggestion. The suggestion has been made that there be a requirement of 3-to-1 or 4-to-1 match. You mentioned you are generating 3-to-1.

Miss HANKS. We have no trouble raising money from the treasury category.

Senator STEVENS. Your appropriations started at \$7.9 million in 1967, and we are at \$82 million in fiscal 1976.

Miss HANKS. That is correct. But you have a totally different picture today in this country than you did 10 years ago, and it is not because of anything other than people changing their priorities and their interest. The audiences are up all over this country in terms of the performing arts. Attendance is very high at the museums. Many people are participating in arts and all of the crafts. There is vigorous activity,

as you know, in the folk arts. And we have moved along in working in that field in regard to the Senate's suggestion.

#### SUPPLY AND DEMAND IN THE ARTS

Senator STEVENS. Your statement speaks on the one hand of the growing financial difficulties facing cultural institutions and artists and on the other of the tremendous increase in public demand for the arts. This seems to be a contradiction of the law of supply and demand. Why is this?

Miss HANKS. The law of supply and demand is really not applicable to the arts. The arts are handcrafted and labor-intensive and therefore are vulnerable to and vitally affected by inflation and rising costs.

It would be virtually impossible to mechanize and package the arts by arbitrarily cutting the length of a symphony or a theater performance, the number of performers in a ballet, or the number of museum galleries available to the public.

To increase the cost of tickets to the point where this increase would cover the gap between income and expenses, even though the attendance has grown across the board, would place ticket prices far beyond the pocketbooks of many thousands of people.

Our Endowment dollar has done much to attract new, matching monies to these institutions. But there is still a long distance to go.

Senator STEVENS. We appreciate that.

#### GROWTH OF PRIVATE SUPPORT

The fear is growing in the Congress that there may be a feeling that Federal tax dollars can replace private contribution and private support.

Miss HANKS. Just the opposite is happening, just the opposite.

Senator STEVENS. Well, we will look forward to getting that report you mentioned.

Miss HANKS. Absolutely, because we as an agency and our constituency are so proud of what we are doing in this country, building a totally different system—a totally different system of support of the arts in this country, say in contrast to all of western Europe and Canada, and other nations where almost all of the support for their cultural activities is governmental. There is hardly any private money at all.

In contrast, in this country our great institutions and our wonderfully talented people have been built with private monies and private initiative by and large. Some of the museums are State and municipal museums, as I believe you are well aware. Because the Federal Government came in, the States came in. Now because of the encouragement of the Endowment and others, and because of the demand of people, municipal governments are coming in to fund. But this governmental money is not replacing private money. The private money trend line is still up.

The dramatic increase, of course, in private money has been in the corporate field in the last two years, and it very substantial indeed. This is very encouraging, and it looks to me as though it will be long term.

I will do anything, send up a white paper, indeed, if you will, to dispel any concern on the part of any Members of Congress in both the Senate and the House that these monies are replacing private money because it is quite to the contrary.

[The information follows:]

In fiscal year 1973, the Arts Endowment grants generated about \$87 million in matching funds. In fiscal year 1976 the grants written during the first 6 months will result in approximately \$105 million in matching funds. We anticipate that by the close of fiscal year 1976 all 1976 funded projects will have generated about \$205 million in matching funds.

#### CHALLENGE GRANTS

Senator STEVENS. Well, if there is such a proposal submitted to require more than one-to-one matching level, what level do you think would be appropriate?

Miss HANKS. This is the development of the challenge grant concept which you are referring back to. If I might back up a little bit from that, the National Council on the Arts has discussed the challenge grant principle at great length. It has tested out some individual cases.

One of the grants 2 years ago to the Metropolitan Opera was done on a challenge grant basis, and they took to the radio and got their radio audience to send in money. The recent grant last September was to the city of Detroit, and its purpose was to keep the city of Detroit in, and to bring new and increased money from business in Detroit. Both successful.

Therefore, the Council is very much in favor of challenge grant funding. It would not move the challenge grants in replacement of other programs because it believes in their work, but we would use challenge grant monies to move the level of funding from a plateau that some of the cultural institutions are on, dramatically up.

Senator STEVENS. What was the level in Detroit? What was the requirement?

Miss HANKS. The level in Detroit was \$250,000. The city put in kind and also in replacement some of the programs it intended to cut back \$250,000. Major industry in Detroit came in with new money and \$250,000, and then there was a citizen campaign to raise the other quarter of a million.

Senator STEVENS. Three-to-one?

Miss HANKS. Oh, yes.

Senator STEVENS. What was the opera level?

Miss HANKS. All Treasury Fund grants are 3-to-1.

Senator STEVENS. Three-to-one?

Miss HANKS. Yes.

Senator STEVENS. You said this was an experimental challenge grant concept. Is there some other level?

Miss HANKS. Yes, because they had the added requirement that the monies had to be new or increased monies.

#### COUNCIL BUDGET RECOMMENDATIONS

Senator STEVENS. Have you made any other changes in your budget based on the Council's recommendations from their February meeting?

Miss HANKS. No. The allocations in 1976 we will submit for the record, after the decision is made on the American Film Institute.

The Council by and large allocated the money. So they are very much the same as they were when we submitted the budget to you a year ago.

As far as fiscal 1977 is concerned the staff of the National Endowment for the Arts made a recommendation to the Council at its meeting that it consider four alternatives for the allocation of the \$2.5 million that was unallocated.

The four alternatives were to place the entire amount into film, radio and television in order to bring more performances to more people. The budget you have before you is very, very tight in terms of public media, and as a matter of fact shows a slight reduction from the previous year despite the success of the program.

The second alternative was to use the entire amount to increase funding for selected major cultural institutions because of the 2 years.

The third recommendation was to put all of the \$2.5 million into the grant challenge grant concept.

The fourth recommendation from the staff was to spread the \$2.5 million through the various art forms and for the various goals, because they are all very desperately in need of funding.

However, the Council strongly recommended that the Endowment not take any of the above courses of action. They felt that each one of them had great validity, but the Council felt that the Endowment must maintain flexibility of funding to meet changing needs, and that \$2.5 million was far too modest, as a matter of fact, at this time, given this far in advance of expenditure, being somewhat less than 3 percent of the entire budget.

All the other money is allocated fairly tightly already. Therefore, they even urged us to go through our present allocations and see if we can find a bit more money. In other words, the Council members believe strongly that you cannot move into a year with no flexibility when you are in a very volatile situation and needs come up that we just simply cannot anticipate, as you can imagine.

Therefore, they determined that at this time, and not knowing what Congressional action would be, that they would not allocate the funds to any of the four purposes.

Again, they believe all four were very valid.

Senator STEVENS. Well, we would hope that you would let us know if you have made any basic changes.

Miss HANKS. I might just mention there will be no basic changes. There will be no changes in programming at all, absolutely no changes. There will be a slowing down of some programs. We will hold back—because you see, if you put approximately the same amount of money say into dance touring, before the season begins in 1977-78, you are going to cut back in terms of numbers of performances.

#### FUTURE ENDOWMENT GROWTH

Senator STEVENS. You do a very good job, and those of us who support you in the Congress find it more difficult to keep up with you than you realize. If this continues at the same escalation rate for the next decade, I hope you realize we will be talking about \$1 billion 10 years from now. You know, a tenfold increase is a tenfold increase, and somewhere there has to be some realization

of what the level of funding on a long-term basis is going to be as far as the Federal Government is concerned.

I know you realize we have to be the devil's advocate in order to get the answers to our colleagues' questions when they come at us in the full committee.

Miss HANKS. Oh, absolutely.

#### FOLK ARTS PROGRAM

Senator STEVENS. Your justification mentions that support for the folk arts is increasing, and you may recall this committee endorsed this concept in its report last year. How much has this support increased over the past three years? What is your estimated support for the folk arts in fiscal year 1977, and how does it compare with the previous years?

Miss HANKS. Support for folk cultural projects has increased steadily over the past 3 years and the arts endowment anticipates a further increase in fiscal year 1977. Folk arts assistance is included in four categories of funding, which are: the folk arts program itself; the sum of grants for folk arts projects in other programs; projects with a strong folk arts component; folk arts-related projects including, projects with a strong folk arts component, and projects that are related to but on the periphery of folk arts in the strictest sense; and jazz music which, as you know, is a highly developed art form with strong folk roots.

For your information, I will be glad to submit for the record the amounts of funding in these categories from fiscal year 1974 through the projection for fiscal year 1977.

[The information follows:]

#### FOLK ARTS

	Fiscal year 1974	Fiscal year 1975	Fiscal year 1976	Fiscal year 1977 <sup>2</sup>
Category 1 .....	0	\$500,000	\$1,150,000	\$1,250,000
Category 2 .....	\$450,000	980,000	1,400,000	1,500,000
Category 3 .....	1,500,000	1,700,000	1,000,000	1,250,000
Category 4 .....	300,000	560,000	750,000	750,000
Totals .....	\$2,250,000	\$3,740,000	\$4,300,000	\$4,750,000

<sup>1</sup> The Folk Arts Program was not formally inaugurated.

<sup>2</sup> Based upon the Administration recommendation of \$87,000,000.

Senator STEVENS. The committee has received a few complaints to the effect that folk arts applications are getting turned down by the Endowment and that no Endowment support is available for overhead costs of folk arts groups. What is involved here?

Miss HANKS. The folk arts panel does not have a policy regarding general support for folk cultural organizations, as opposed to support of particular projects, but considers the merits of each request on an individual basis.

## GEOGRAPHIC DISTRIBUTION

Senator STEVENS. We see again that New York leads the State grant distribution at 18 percent. There is an increased grant to Pennsylvania this year, nearly double over last year. We would like to know what that is for.

Miss HANKS. In Pennsylvania?

Senator STEVENS. And the heavy concentration in the four States of New York, California, Pennsylvania, and Massachusetts, as far as the State grant distribution. Now how do we answer our colleagues who ask us why this is the case, why the heavy concentration in those four areas, and what was the reason for the doubling of the grants to Pennsylvania?

Miss HANKS. Well, I do not know—in connection with Pennsylvania, I do not know whether the Bicentennial was a factor or not. I would like to take a look at where the grants went and why and report to the committee on the increase there.

If I am not mistaken, Senator, it will not be because of the Bicentennial, or the factor will not be that significant. Because as you know, by recommendation of the National Council on the Arts, which strongly agrees with the Congress of the United States, our moneys in the Arts Endowments for the Bicentennial were basically not for special purposes at all. We just went right along with our regular program.

In museums, for example, we give grants for special exhibitions. This year they are putting on Bicentennial exhibitions. But we did not change any of our programs to meet the needs of the Bicentennial.

## PENNSYLVANIA GRANT INCREASE

I would like to check Pennsylvania. My hunch is that they were perhaps underfunded before.

[The information follows:]

In fiscal year 1974 there were 112 grants to the State of Pennsylvania totalling \$2,043,763. In fiscal year 1975 there were 134 grants to Pennsylvania totalling \$3,911,209. Of the fiscal year 1975 grants 24 totalling \$1,757,758 were for Bicentennial projects. Included in the 24 Bicentennial grants was one grant to the Carnegie Mellon Foundation for a museum renovation grant of \$1,165,760. (\$582,880 private donation releasing \$582,880 in Treasury funds).

## GRANT CONCENTRATION

Miss HANKS. Now in connection with New York, California, Massachusetts, those States, of course, are where the heavy concentration of basic resources are. That is where the major companies, major museums exist.

I would like to make several points. On a per capita basis in terms of contribution, New York is considerably below many of the States. And this is another situation that we have to take into account. The resources are there not only for the benefit of New Yorkers and Californians and people from Massachusetts, but for people all over the country who go to those cities with their great cultural concentrations.

Second, on a per capita basis they are nowhere near, say places like Hawaii, Vermont, your own State of Alaska, Delaware, and the smaller States, which have a much higher per capita—

Senator STEVENS. Have you discussed this grant concentration with your advisors, and is it a per capita concept that you are following?

Miss HANKS. No. I just would point out, and I would want to go on if I might, to the discussion of the Council. Because the committees raised this in the hearing in both authorization and appropriations—the National Council on the Arts has stepped up not only its own consideration of the question, but also has advised the Advisory Panel that we have operating in the field to pay particular attention to the matter.

If I might briefly give you some examples of steps we have taken in the last 2 years to strengthen our outreach programs, strengthen the obligations coming in from other regions, I would like to do so.

Two years ago we only had three regional coordinators to facilitate information from the field back to the Endowment and from the Endowment to the field. We had three; we found they would be very successful; and we now have seven of them. This is helping tremendously.

#### REGIONAL PROGRAMING

Second, we have increased our funding of regional programing from some 991,000 in fiscal year 1975 to a projected 1.5 in fiscal year 1977 to the regional associations that have been set up. For example, in the Western States Foundation, there are 10 States sparsely populated, as you know, and they need a regional association for bloc booking the professional touring groups as well as exhibitions. So this coming together of the States on a regional basis has been of help in that connection.

We began the program 2 to 3 years ago in what we call program development, which is to increase the professional staff and support staff in the State agencies, because we found that one of the most serious problems in those agencies in all but 4 to 5 States is the number of professional staff. They just simply do not have people who can develop their programs and then handle the monies and develop the monies from their State.

This has been marvelously successful. And Michael Straight and I, between us, have just had the opportunity in the last 10 days to attend the State agency review sessions. Michael met in Portland with 12 States there, and in Dallas with 6 or 7. I met in Chicago with 12, in Boston with 12, and just in the last 2 days here in Washington with the other 12.

So we have had an opportunity between the two of us to meet with each State. It has been extremely helpful to us. And of course unanimously they believe in the importance of the program's development to help them with their professional staff and in the regional coordinators.

Senator STEVENS. We would hope that some of your funds would not be distributed on a per capita basis. It appears to be somewhat near a per capita concept. I understand that there are States that get more, and in some areas the population is so small that if it were on a per capita basis, there would be fairly low funding.

Miss HANKS. No. We only develop our per capita figures after the grant period because the panels and the Council would certainly agree very strongly with you that that is not, you know, a guiding factor. In order to reach the smaller States, or in order for example to reach your own State of Alaska, you have the travel cost that you would not have in other places. And we simply make adjustments for that. So we are not on a per capita basis.

#### AVAILABILITY OF THE ARTS

Senator STEVENS. Well, Alaskans who go to New York can afford to pay for the culture they seek there, and that seems to be a growing feeling up here, that there are not many people going to the hinterlands for the culture. But many people in the hinterlands would like to have the culture brought there. We ought to have more balance in the distribution of these funds as far as the arts are concerned.

Miss HANKS. Senator, this growth in the institutions in the last 10 years is phenomenal.

Senator STEVENS. Yes, it is a phenomenal start you have given us, I am sure we all agree.

Miss HANKS. What it means is the availability of the arts out of those three to four major distribution centers.

Senator STEVENS. Not if they all have to go to those four or five centers in order to have the experiences they seek by being in school or various other activities that are involved there.

Miss HANKS. Well, almost all of this growth is out of the major centers. So I think this is absolutely wonderful. And you see, too, we want to increase our touring programs.

Senator STEVENS. Yes, we would like that, too. Let me skip over to another subject, if I may.

Miss HANKS. And our media program too.

#### MUSEUM, MUSIC, AND THEATER SUPPORT

Senator STEVENS. Your justification shows a rather precipitous drop in museums, music and theater support in fiscal 1976. Can we explain that?

Miss HANKS. In our goal of strengthening the cultural institutions—

Senator STEVENS. It is on page 34.

Miss HANKS. If I might turn to it. That is because of Treasury fund monies not being included.

Senator STEVENS. Did you have any matching funds in 1976 in that area?

Miss HANKS. What page are you on, sir?

Senator STEVENS. Page 34, A-34.

Miss HANKS. Yes, those figures in fiscal 1976 did not include the Treasury money. Most of the Treasury money at the present time goes into the major institutions, which is why you see that drop in museums and in music. That would be almost all Treasury money. The renovation program of the museums is all Treasury—you know, that is the one where we renovate to preserve the works. Almost all Treasury.

The entire orchestra program, I believe, and almost all of the opera programs are all Treasury. So those are the big areas of Treasury.

But we have no way of estimating final figures this far in advance because there are shifts. As you know, we have had no difficulty in raising Treasury money at all. As a matter of fact, we are almost up to the \$7.5 million right now.

#### COMPARABILITY OF ESTIMATES

Senator STEVENS. Could you give us another column? The problem is that we should have a fiscal 1977 column there. If you could estimate your support by program area, perhaps it would not look as it does. It looks like it is a rather sizable drop from \$14 million down to \$6.9 million, for instance.

Miss HANKS. Well, it would certainly scare me if I were in the music business.

Senator STEVENS. I would appreciate it if you could give us the estimate in a column.

Miss HANKS. Yes, give the estimate on the Treasury funds. We would be very happy to give you those. They will be rough estimates. We will be able to tell in 1976, but 1977, you will have to understand that they are rough.

Senator STEVENS. We understand. But you have your actual for 1974, your actual for 1975, your estimate for 1976. We don't have anything for 1977, but we are dealing with 1977. So we would like to see if we can change this summary so as to provide an estimate for 1977.

Miss HANKS. I would be very happy to change that page and the others where it would also apply.

Senator STEVENS. The music dropped in the actual column \$16.1 million in 1974 to \$14.8 million in 1975. Then if you went on over, why, it drops down to \$6 million.

Miss HANKS. That also is not a national drop, but I will have to check the records on that drop. I do not have them here with me.

Senator STEVENS. So that valid comparisons can be made, please rework the program area table to separate federal support and private and matching support. Give us another column estimating your 1977 support by program area.

Miss HANKS. Certainly, Senator. I will be happy to provide this for the record.

[The information follows:]

National Endowment for the Arts  
Summary of Obligations by Program

FY 1975  
(Actual)

<u>Program Area</u>	<u>Federal Program</u>	<u>Federal Treasury</u>	<u>Private</u>	<u>Total</u>
Architecture +				
Environmental Arts	\$ 2,649,636	--	\$ 2,781	\$ 2,652,417
Dance	5,959,783	72,500	94,257	6,126,540
Education	4,318,611	218,500	216,528	4,753,639
Expansion Arts	5,617,573	40,000	40,186	5,697,759
Federal-State Partnership	14,564,094	20,000	85,433	14,669,527
Literature	1,746,743	--	35	1,746,778
Museums	6,762,907	2,281,401	1,792,028	10,836,336
Music	7,673,430	3,541,740	3,679,663	14,894,833
Public Media	4,762,906	510,000	150,023	5,422,929
Special Projects				
(includes Folk Arts)	3,373,495	60,000	60,201	3,493,696
Theatre	4,651,583	860,000	860,232	6,371,815
Visual Arts	3,198,753	--	103	3,198,856
Research	65,279,514	7,604,141	--	79,883,655
Subtotal	--	--	16,458	16,458
Miscellaneous				
Program Development	1,783,865	--	--	1,783,865
and Evaluation				
TOTAL	\$67,063,379	\$7,604,141 <sup>2/</sup>	\$6,997,928 <sup>2/</sup>	\$81,665,448

1/ Funds have been distributed by program area.

2/ The Federal Treasury Fund for FY 75 was \$7,500,000. The \$7,604,141 figure includes funds matched (released) in FY 74 through the receipt of private gifts, but carried over and not obligated until FY 75. In FY 75, in addition to direct donations, promissory pledges for gifts released Treasury Funds; however some pledges were not paid until FY 76. Therefore, though all Treasury Funds for FY 75 were released that year, the \$6,997,928 reflects only those gifts paid and obligated in that year.

## Summary of Obligations by Program

FY 1976  
(Estimate)<sup>1/</sup>

Program Area	Federal Program	Federal Treasury	Private	Total
Architecture + Environmental Arts	\$ 3,545,550	--	\$ 3,000	\$ 3,548,550
Dance	5,552,229	30,000	55,000	5,637,229
Education	4,349,000	--	98,500	4,447,500
Expansion Arts	5,235,335	50,000	50,250	5,335,585
Federal-State Partnership	14,831,339	--	7,500	14,838,839
Literature	2,144,914	--	20,150	2,165,064
Museums	8,299,966	931,473	2,263,197	11,494,636
Music	7,703,833	5,103,890	5,493,006	18,300,729
Public Media	7,306,318	500,000	860,200	8,666,518
Special Projects (includes Folk Arts)	5,129,045	180,000	1,148,332 <sup>2/</sup>	6,457,378
Theatre	4,118,180	830,000	835,182	5,783,362
Visual Arts	3,482,000	--	1,726	3,483,726
Research	924,219	--	--	924,219
Subtotal	72,621,928	7,625,363	10,836,044	91,083,335
Miscellaneous	--	--	25,000	25,000
Program Development and Evaluation	2,460,000	--	--	2,460,000
TOTAL	\$75,081,928	\$7,625,363 <sup>3/</sup>	\$10,861,044 <sup>2/</sup>	\$93,568,335

<sup>1/</sup> These figures reflect the most current estimates and are based upon present allocations and recent actions by the National Council on the Arts.

<sup>2/</sup> Includes currently unallocated notes receivable and private gifts (restricted and unrestricted) from this and previous fiscal years.

<sup>3/</sup> Includes carryover from previous year.

Summary of Obligations by Program

FY 1977  
(Estimate)

<u>Program Area</u>	<u>Federal Program</u>	<u>Federal Treasury</u>	<u>Private</u>	<u>Total</u>
Architecture +	\$ 3,500,000	\$ --	--	\$ 3,500,000
Environmental Arts	5,975,000	25,000	25,000	6,025,000
Dance	4,600,000	--	--	4,600,000
Education	5,950,000	50,000	50,000	6,050,000
Expansion Arts	15,897,000	--	--	15,897,000
Federal-State Partnership	2,000,000	--	--	2,000,000
Literature	8,775,563	850,000	850,000	10,475,563
Museums	7,265,000	5,145,000	5,145,000	17,555,000
Music	6,000,000	500,000	500,000	7,000,000
Public Media				
Special Projects				
(includes Folk Arts)	7,504,337	130,000	130,000	7,764,337
Theatre	4,970,000	800,000	800,000	6,570,000
Visual Arts	3,400,000	--	--	3,400,000
Research	1,053,100	--	--	1,053,100
Subtotal	<u>76,890,000</u>	<u>7,500,000</u>	<u>7,500,000</u>	<u>91,890,000</u>
Miscellaneous	--	--	--	--
Program Development	<u>2,610,000</u>	<u>--</u>	<u>--</u>	<u>2,610,000</u>
and Evaluation				
<b>TOTAL</b>	<b>\$79,500,000</b>	<b>\$7,500,000</b>	<b>\$7,500,000</b>	<b>\$94,500,000</b>

## PERFORMANCES IN NATIONAL PARKS

Senator STEVENS. Let me ask one last question, and we have to go on to Mr. Berman. I am sure you realize that.

At our hearings the Park Service suggested that the performing arts functions, particularly in the Nation's Capital, could probably better be handled by the Arts Endowment. Could you comment on that, and has it been discussed in your advisor's meetings?

Miss HANKS. Well, Senator, the first I heard of the proposal was in reading one of the Washington newspapers. I then subsequently got the testimony, and we are waiting I believe to read the discussion about it in the committee.

Assistant Secretary of Interior Reed sent me the testimony with a note that he would like very much to discuss this with me. Michael has been in Alaska, Oregon, Texas, and a few other places, and he and I have not had a chance to talk about it either.

Senator STEVENS. Mr. Straight, did anybody discuss that with you before it was suggested?

Mr. STRAIGHT. No, sir.

Miss HANKS. If I could just make a couple of summary points about my immediate reactions without any discussion. I happen to believe the National Park Service is one of the best agencies in Washington. It handles all of its programs that I am aware of superbly, and I have much more than a passing knowledge of the Park Service, because as you recall I was on the Outdoor Recreation Resources Review Commission staff. I have been associated with private foundations that are very much in the Park Service business. I have known all the Park Service directors, much to my delight, and admiration. So I know the Park Service.

I also have been able to witness the outstanding presentations of the performing arts, the exhibitions they have in craft and folk, the superb exhibitions they have in Indian collections, and many other art exhibitions.

Senator STEVENS. This is limited to performing arts now, you understand.

Miss HANKS. They are not going to transfer exhibitions. All right.

The performing arts, I have nothing but respect for what they have done. I would hope that they would increase their program in the performing arts because their public wants it, and it enhances the experience in the parks.

People don't just divide as they walk into a park and want to see the beauties of nature, they also happen to enjoy the great orchestras. I guess the city of Washington is almost like a national park because so much of the land and facilities are under the direct supervision of the Park Service.

Senator STEVENS. There are some people who think they are fossilized objects up here from time to time, but I am not sure of the total.

Miss HANKS. Well, I certainly would not agree with that.

Now I believe that the Park Service has been very imaginative and very creative in thinking of arts as resources. And they call upon and use them for the purposes of enhancing the service they provide to the public. I think that that is very wonderful.

Senator STEVENS. You are telling us really you don't want it?

Miss HANKS. Well, I am saying to you I have not talked to them. If they want us to take it over, the only conceivable way we could do it would be to work in closest cooperation with them because they know their public.

And also I would like to say that of course we would need the appropriations and the administrative people to handle it.

And Senator, I have not talked to them, as I said. I don't know how many people are needed, or money or anything else.

Senator STEVENS. No question about that. They can't give you the function without the money. But I do think that the committee was rather interested. I have not talked to our counterparts on the other side about the concept that the Park Service should not be managing performing arts functions, and that perhaps it could be managed through your organization, or that there could be another organization created that would be supported by yours.

We would encourage you to discuss the matter. It certainly is not going to be treated in this budget.

Miss HANKS. Not in this budget. What would be very important, it seems to me, sir, would be to have discussions with Interior to find out what the ball game is, and then to meet with the staffs of both the House and the Senate, and to really think it through. Because we would certainly need the advice of counsel on the Senate and the House committee.

#### ROLE OF PARK SERVICE

Senator STEVENS. I should think the fear that they are expressing is that if a continued expansion of performing arts in this area is done under the aegis of the Park Service, that they will face an increasing demand for similar activities in other areas of the country.

Miss HANKS. They will?

Senator STEVENS. And they will soon be in competition with the organizations you are supporting. That is what we read between the lines.

Miss HANKS. They would of course call on the resources of the organizations. There would certainly be no duplication of funding. Our funding is so very small for them anyway.

But you see, sir, what we have to recognize too is that the arts are moving out of the halls and they are moving into open space, and a lot of that space happens to be park space.

Senator STEVENS. They were talking about the Kennedy Center, Wolftrap and Sylvan Theater.

Miss HANKS. They were basically talking about the Washington, D.C.—

Senator STEVENS. They also talk about the St. Louis Symphony.

Miss HANKS. Which plays in the park under the arch, yes.

Senator STEVENS. I think it is something that we would like to have a report on next year as to what type of discussions you have had and whether or not your advisors deem that possible. I would say at first blush, it looks compatible with your operations. But we do not know certainly the functions that they have. If they transfer the money—we also handle their budget obviously.

Miss HANKS. Yes, sir, and that is why we have always been very pleased to be with the parks because we view them as very sympatico.

Senator STEVENS. I think they are saying that the Park Service is getting beyond its scope in terms of the original mandate from Congress with regard to the preservation of the park areas or those areas of national significance in the country. They have a significant problem of visitor combinations and other things. I think they are spreading themselves a little thin.

Miss HANKS. We would be very happy to talk with them about it. Thank you for the suggestion.

#### FILM AND VIDEO EQUIPMENT

Senator STEVENS. There is a request of \$25,000 for purchase of screening room equipment to view video tapes and films as part of the grant process. How is this function currently handled, and why is it not adequate? What kind of film and video equipment are you planning to buy?

Miss HANKS. The types of film and video equipment included in the \$25,000 request include units which will permit the viewing of completed films in both 16 and super-8 millimeter formats. These units are also designed to permit staff and panel viewing of films which have not been completed, for example, where the sound and visual image have not yet been combined onto one piece of film. These units also include editing capability which would permit the assemblage of film material without utilizing a commercial film laboratory. Related items include projector stands, speakers, adapters, splicers and reels. In addition, one-half inch video equipment and equipment for reel-to-reel audio tape are included, as well as several items necessary for proper and efficient storage of film and video materials in the library.

No net increase in administrative funds is being requested for this equipment. Object class 2500 is being reduced by a corresponding amount.

Senator, if I might I would like to provide for the record our rationale for making this decision.

[The information follows:]

#### RATIONALE FOR PURCHASE OF SCREENING ROOM EQUIPMENT

The Public Media screening room consists of a projection booth, a screening area and film library space. In addition to its use by the Public Media Program's panel and staff, this facility and its current equipment are also frequently used by other Endowment programs, such as Visual Arts, Folk Arts, and Dance, which consider projects involving film, video and radio technology.

Because of the nature of the field assisted through the Public Media Program, there is a regular, on-going need for special equipment. As part of the review of applications submitted to the program, the Public Media Panel screens sample materials in a variety of film and electronic media formats relevant to the project for which funds are requested. This screening is necessary for the panel to consider the talent, experience and production expertise of the artists involved in a project and render an informed and fair judgement on the merit of applications involving production in film, television and radio.

Because of the rapidly changing technologies in this field, the formats for film, video and radio are varied and require specific equipment for viewing or listening. The formats for sample works which need to be screened by staff and panel include: 16mm film, both optical and magnetic sound; ¾ inch video cassette: color and black and white; ½ inch video, both color and black and white; super-8mm film; audio tape, both cassette and reel-to-reel; 16mm film, interlock projection.

The function of review of sample work is currently handled by use of two items of equipment, a 16mm optical sound projector and a ¾ inch video cassette machine,

owned by the Endowment and rental of all other necessary items of equipment on each occasion of use. Equipment rented on a regular basis includes: 16mm magnetic sound projection, ½ inch video equipment, both color and black and white, Super-8mm film projector, and 16mm film interlock projector. On occasion the use of a local film laboratory facility is required for assemblage of film material by staff for specific purposes related to program activities.

Rental of this equipment on each occasion of use is economically unsound when considered over a period of several years. For example, over the past year, the Public Media Program alone has rented ½ inch video equipment for five days at \$75 a day. Rental for ten days at this rate would equal purchase price.

In addition, arrangements for rental require considerable staff time. Flexibility of screening schedules during panel meetings is also decreased by arrangements with commercial companies and the services provided are often inefficient due to equipment malfunction.

In summary, the purchase of equipment would be less expensive over the next few years than continued rental, and would provide both greater flexibility in panel meeting screening schedules and a more efficient use of staff time.

#### TRAVEL

Senator STEVENS. Last year at the request of the committee you provided for the record an object class breakdown which combined administrative and program development and evaluation funds. Comparing that table to your current justification, we note that travel has decreased some 28 percent from the original estimate. We commend this achievement—but could you tell us how you accomplished this reduction?

Miss HANKS. Senator, the combination of soaring travel costs related to recent inflation and the staggering increases in constituency demands has put great strain on our travel budget. To relieve that strain, we have taken a number of steps that, in my judgment, have been detrimental to our programs, although they have saved monies. Let me give you two examples.

The Endowment has sharply reduced the percentage of out-of-D.C. panel meetings which has cut back on staff travel having the unhappy result of not permitting the panelists and staff to benefit from the very valuable contributions that are made by local people attending the panel meetings outside of Washington.

Another major travel economy has been to reduce incidents of multiple staff and consultant travel at the same meeting or same grantee site. Again, while dollars are saved, program planning, development and evaluation have suffered considerably by the loss of multiple points of view or adequate coverage that reports on situations.

In short, Senator, the Endowment has been responsive to this committee's concern about our travel costs, but at a reduction in our ability to carry out our mission. We could very effectively, and immediately, use a 25-percent increase in our travel budget.

#### PRINTING

Senator STEVENS. Printing and reproduction costs for the current year increased 147 percent from your original estimate, and you are asking for an additional increase for fiscal 1977. What caused the current upward revision of your estimate and why is even more funding—\$71,000—required?

Miss HANKS. You will note, Senator, that the entire additional funds are requested in program development and evaluation. We will hold

the administrative printing budget at the current year figure—again, as with travel—at some sacrifice to our effectiveness. The need for the increase in PD&E funds is directly related to two factors—first, the increased cost of printing. An average program guidelines booklet costs 15–20 percent more this year than last. Such increases in printing costs are unfortunately typical.

Second, Senator Stevens, the remarkable rise in requests for information on this agency and its programs are requiring more copies of everything we print in order to be responsive. As I noted on page 6 in my prepared statement, informational phone calls to our agency have doubled and the same doubling has occurred with controlled mail in this agency over the past year.

#### OBLIGATIONS

Senator STEVENS. The estimate for other services has risen 39 percent from your initial estimate for the current year. Your request for fiscal 1977 shows a decrease of \$25,000. How do you explain this fluctuation?

Miss HANKS. Each year, the Endowment's various programs and office have demands on other services, which you know, Mr. Chairman, is basically contracts, which are two and three times in excess of estimated budget funds. So this object class usually fluctuates as need and demand fluctuate.

Senator STEVENS. Although no funding is shown for the current year for equipment, your fiscal 1977 request is for \$25,000. What type of equipment purchase will this be used for?

Miss HANKS. For fiscal 1977, we are planning to hold even with the current year except for \$25,000 which we have put into the equipment category for screening room equipment, as was discussed earlier this morning.

Senator STEVENS. How is it that you do not request an increase in rent, communications and utilities—how will you pay for increased GSA space costs?

Miss HANKS. Senator, GSA rental costs are not included in the Endowment's budget. They are provided for in the shared staff budget and you will note on page S-25, that increased funds are requested for rent.

Senator STEVENS. We appreciate your attendance, and I want you to know that your visit and support will not go unnoticed. We want to thank all of your supporters who do come to back you up. You really don't need so many seconds. If it were just you and me here, the odds would still be in your favor.

Miss HANKS. We will try that next year.

Senator STEVENS. Thank you very much.

Miss HANKS. Thank you, sir.

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## NATIONAL ENDOWMENT FOR THE HUMANITIES

STATEMENT OF RONALD S. BERMAN, CHAIRMAN,

## ACCOMPANIED BY:

ROBERT KINGSTON, DEPUTY CHAIRMAN  
ARMEN TASHDINIAN, DIRECTOR, OFFICE OF PLANNING  
JOHN BARCROFT, DIRECTOR, DIVISION OF PUBLIC PROGRAMS  
JAMES BLESSING, DIRECTOR, DIVISION OF FELLOWSHIPS  
HAROLD CANNON, ACTING DIRECTOR, DIVISION OF EDUCATION PROGRAMS  
SIMONE REAGOR, DIRECTOR, DIVISION OF RESEARCH GRANTS  
JOHN JORDAN, ADMINISTRATIVE OFFICER  
JOSEPH SCHURMAN, GENERAL COUNSEL  
JOSEPH HAGAN, SPECIAL ASSISTANT TO THE CHAIRMAN  
PAUL P. BERMAN, DIRECTOR OF ADMINISTRATION, SHARED STAFF

## BUDGET REQUEST

Senator STEVENS. Now we will proceed to the Humanities Endowment, if we may.

Dr. Berman, we note you are requesting \$87 million which is \$7.5 million over appropriations for this fiscal year. We have included your justification also in the record. Do you want to put your statement in full in the record?

## PREPARED STATEMENT

We do welcome you here, and we would be pleased if you would highlight your statement for the record, Dr. Berman.

[The statement follows:]

My pleasure and my duty in coming before this subcommittee are heightened this year by two anniversaries.

The Humanities Endowment is now in its tenth year; the nation, in its 200th. The anniversary of this agency lacks the Bicentennial's grandeur; but there is, I submit, a connection.

In founding NEH, Congress honored John Adams' conviction that "a good government [must] introduce knowledge among the people." And today, happily, an Endowment-sponsored television series-- "The Adams Chronicles"-- is enriching millions of homes and minds with its story of a family tree splendidly rooted in American history.

Our Act, addressed to an urban industrial era, declares that "democracy demands wisdom and vision in its citizens and...must therefore foster and support a form of education designed to make men masters of their technology and not its unthinking servant."

The humanities, then, are a "form of education", but evidently something more-- a form of intention to enhance the commonweal.

They are a set of disciplines-- history, philosophy, ethics, languages, literature, jurisprudence-- encountered side-by-side with scientific, technical, business, and vocational training. But they are distinctive in this: they are the instruments of human communication and judgment, they deal in values, in questions of power and the public good. These are ultimate aims of education-- and they extend from academic halls into citizen responsibility.

The humanities are also bodies of knowledge, distributed widely through libraries, museums, historical societies, civic and professional bodies, and the media, as assets for every man's private and public life.

But I come with a budget, not to report a completed task. Technology will not be mastered in a day or a decade; it is part and parcel of man's conceit, which we all share but which is not mentioned in our legislation.

#### Dimensions of the Budget

For Fiscal Year 1977 the NEH budget requests \$79.5 million in definite appropriations plus \$7.5 million to match gifts from the private sector. The total of \$87 million represents an increase of \$7.5 million-- approximately ten percent-- over appropriations for the present fiscal year. The amount requested is well within the level proposed in pending reauthorization legislation.

Endowment grants are spread among a large number of individuals and institutions-- academic and non-academic, urban and rural, at every age and economic level, in all 50 states, the District of Columbia and Puerto Rico.

They are open to competitive application from traditional constituents-- the nation's learned societies, its 500 research centers, 2,700 colleges and universities, and 140,000 academic humanists-- collectively an arsenal of American culture and

intellectual power. Such grants promote the "progress and scholarship in the humanities" called for in our legislation.

But the Endowment is also charged with widening the public understanding and use of the humanities. It has accordingly learned to work through grants to library systems, history, art and science museums, state and local historical organizations, public television stations and other forms of media, as well as trade union, professional, and civic groups. By these means, the humanities' distinctive "form of education" reaches and involves an adult, out-of-school public numbering many millions.

The pressure of good applications for Endowment funds is simply shown.

Last year, applications submitted directly to NEH totaled 6,824, requesting \$302 million. Reviewers found one out of two deserving of support, but only one in five survived the competition for limited funds: actual grants numbered 1,330 worth \$73.1 million. (These figures do not include applications made to several humanities institutions which receive NEH grants to support fellowships, nor do they reflect the large volume of applications made to our state-based humanities committees.)

Again last year, funds for matching gifts (\$6.5 million) were fully put to use, thanks to private contributions. The total so generated by Endowment grants to date is \$26 million (not counting gifts to state-based programs).

Applications in the present year are expected to reach 7,500 rising to 8,000 for FY 1977. The budget before you will thus permit the Endowment to maintain no more than the current, 20-percent level of affirmative response to applicants. Quality of individual awards is outstanding, but many good proposals lose out. The loss is society's.

The NEH budget is tightly focused, devoid of "fat." Taking inflation into account-- and humanities institutions very largely depend on the private sector of the economy-- it is a stand-still budget. In government-wide terms, it is small indeed, representing .004 percent of the FY 1977 funds budgeted for Federally-supported scientific and technological research and development.

#### Scope of the Endowment

What Federal funds are accomplishing through the humanities is set forth in the full budget submission. A few highlights:

In traditional fields, awards were made last year to over 100 colleges and universities. Over 1,500 individual scholars and teachers, from both two-year and four-year colleges, received fellowships, or summer stipends, most requiring intensive study at leading research centers. Outstanding research grants went toward editing of the Franklin, Washington, John Jay and other state papers, and to commissioning a Bicentennial

series of state histories; the first of 51 such volumes are already in print.

Public programs, accounting for about half of Endowment funds, are a measure of NEH response to national needs-- and of the public's response to humanities resources newly opened to it. Progress here is the greater in that public humanities activities were largely non-existent a few years ago.

Recent and current examples embrace museum exhibitions of Chinese archeological finds, visited by record-breaking crowds. Grants to smaller museums made possible many state and local history exhibits.

The third series of "Courses By Newspaper" appeared this past fall, free of charge-- despite the hard-shelled reputation of editors and publishers-- in 450 newspapers (up from 230 the previous year), reaching 45 million readers. Fifteen thousand Americans have taken the courses for credit through co-operating colleges. The present series is based on topics of the American Issues Forum.

The American Issues Forum has become, we believe, the largest public-participation program in the nation's history. Developed by NEH as a framework for a serious Bicentennial observance, the Forum's Calendar constitutes a discussion guide for nine historical themes, one each month from last September.

Bicentennial committees, schools and colleges, broadcasters, national organizations like AFL-CIO and NAACP, and rural and urban civic groups have already sponsored many hundreds of community events and media programs responsive to the Forum. It is a case of Federal leadership and seed money producing a dramatic multiplier effect in private support. (A related program of Bicentennial Youth Debates, funded by NEH and enrolling 125,000 young people, is also keyed to the Forum.)

The state-based programs of the Endowment are now operational in all states, fostering grass-roots examination and discussion of public-policy problems important in state contexts. They will see 12,000 humanist scholars engaged in programs serving 21 million adults this year.

Under reauthorizing bills presently before Congress, proposed amendments might have considerable impact upon this and other Endowment programs. However this question is resolved, the Endowment's state-based activities-- begun experimentally five years ago-- have, we believe, successfully energized rational humanist debate on critical issues in society, winning enthusiastic participation from the nation's adult citizenry.

In the five years since the first of these state programs began, the requirement that Federal support be matched locally has been more than met; the total so generated from private sources is over \$30 million.

Having mentioned "The Adams Chronicles," the most ambitious media project supported by NEH, let me add that six historians worked on the scripts with nine playwrights.

A whole Adams industry is in the making. "The Book of Abigail and John" is a best-seller; earlier books on the Adams family have been reissued by enterprising publishers; and study guides are enabling many colleges to offer credit courses based on the series-- a spin-off costing no penny of Federal monies.

But above all, I believe the "Chronicles" will set a new standard for serious but "viable", American-produced humanities programs for television. Our thralldom to the BBC may at last be waning.

The Endowment's concern for projects of national scope (as in the Adams series) is complemented by our extensive support of regional and folk culture. Grants in this field last year came to \$2.4 million, bringing the total since 1967 to \$10.9 million. Every program area contributes to this support. Outstanding examples are the Appalachian Oral History Project, the Linguistic Atlas of the Gulf States, the Alaska Native Language Project, and the Center for the History of the American Indian.

#### Emphases for FY 1977

No new programs are proposed for the coming year.

Budget increases will be distributed in selected program areas, for support to humanistic scholars and centers of research; for improvement of teaching and curricula, from elementary through graduate and professional education; and for diffusion and use of the humanities in applications relevant (in the words of a 1970 amendment of our Act) "to current conditions of national life."

Points of emphasis will include:

- Aid to major collaborative research projects, and to national and regional research libraries.

- State and local history, regional and folk culture, as well as studies of American civilization generally (building on the Bicentennial impetus).

- Foreign language and area studies.

- The Endowment's new National Board of Consultants, which provides low-cost aid to improving humanities departments in small colleges.

- Further experiment with major libraries and cultural institutions as centers for non-traditional but formal education for their communities.

-- New development of the public education potential of museums and the media.

-- Expansion of experimental youth-oriented programming in the humanities.

-- Continued development, with the National Science Foundation, of the jointly funded Program of Science, Technology and Human Values.

-- Examination of new, non-traditional approaches to the study and dissemination of the humanities to the adult public, including the physically handicapped.

-- In the Fellowships program, continuation of summer-study seminars for lawyers and judges, and for physicians and other health specialists. (A recent criticism misconstrued this program as a passive self-improvement scheme. In fact, it engages mid-career professionals in the challenge of putting their potentially great influence to work toward a better understanding of, and dealing with social conflict and human distress in American society.)

#### A Policy Embracing Distinctive Tasks

The Endowment's original legislation sought to strengthen a specific constituency-- the traditional academic and allied sectors of the humanities-- enhancing its ability to serve the broader society.

That beginning proved successful and opened the prospect-- since realized through NEH initiatives and Congressional amendments-- for an efflorescence of public, non-traditional humanities activities. This policy has enlarged the humanities constituency so that it intersects increasingly with other professions and callings.

In essence, it is a policy which seeks a continued strengthening of the scholarly base-- the human resources and the great learning centers, which are vital to the progress and integrity of the whole humanistic enterprise-- while enlarging access to those resources for all who have contributions to make to the humanities, or who can benefit from their use.

The record offers many proofs that the humanities are a vital force in American society. "The Adams Chronicles" and the American Issues Forum are dramatic examples. They are also, in one respect, an exception to the rule: they are highly visible, whereas a large part of the work NEH supports is not. By their very nature, the bulk of humanities activities can seldom claim the kind of visibility which, say, the performing arts inherently command.

A better test, for the humanities, is participation. In just one NEH program area more than 20 million Americans are this year reached by projects which, though they draw on professional humanists, take place mainly outside the universities. The format for much of this work is akin to town meetings,

where humanists join their fellow citizens in probing local and regional issues. Each of these forums is a step toward restoration of community, and toward better-informed judgments in matters of social policy and human values.

Above all, the test for this Endowment is in the distinctive tasks assigned us in the Act. Work in the humanities deserves to be seen in its true identity and value; it requires often-arduous study, and equally demanding tasks of communication, addressed to the deepest questions encountered in human society, in our society. It is that "form of education" which sows-- in schools and colleges, and in public life-- the seeds of leadership for the nation's future.

To take an example in folk culture, an NEH grant is helping to preserve from extinction the literature and languages of the native Alaskan people. Fifteen Eskimo and Indian writers, working with the University of Alaska, are documenting-- in ten native languages-- the oral folklore of a threatened culture. It is a painstaking, undramatic task but historically important. It preserves an inheritance, so that it may contribute further to the national good.

#### Beyond the Bicentennial

Our Bicentennial is building to the euphoria of next July 4. But let us reckon with the expectations this great occasion is arousing in our people. A fresh impetus to serve the public good will, I think, be widely felt; it represents a valuable momentum we must put to use.

In 1776 Abigail Adams wrote to John, "When I reflect on Humane Nature, the various passions and appetites to which it is subject, I am ready to cry out with the Psalmist Lord What is Man?" The future President understood, but saw himself with "an animating Cause, and brave spirits are not subdued by Difficulties."

That formidable question is still before us; and such an animating cause is what the nation must extend into America's third century-- for the sake of our posterity, as Adams might have put it. The Humanities Endowment is poised to help realize that aspiration.

## SUMMARY REMARKS

Senator STEVENS. I did look through the summary you gave me, as a matter of fact, last evening.

Dr. BERMAN. Thank you, Mr. Chairman. I have a very brief summary of that. Let me begin by identifying our Director of Planning and Analysis of the Endowment, Mr. Armen Tashdiniian, on my left; on my right, the Deputy Chairman, Mr. Robert Kingston; and on his right the Director of Public Programs, Mr. John Barcroft.

The Humanities Endowment is now 10 years old. Its initial mission was to strengthen scholarly research and teaching in the humanities. Success in this opened the way for programs serving society itself.

Endowment grants today are spread among many individuals and institutions, academic and nonacademic, urban and rural in all 50 States, the District of Columbia and Puerto Rico. Active participants number in the hundreds of thousands; those affected literally in the millions.

The national role foreseen by Congress for the humanities has occurred; it has been fostered here through the bipartisan support of this committee and the work of its staff.

The NEH budget request is for \$87 million, including provision for matching private gifts. This represents an increase of 10 percent over appropriations for the present fiscal year, and is well within proposed reauthorization levels.

The budget is tightly contained. In fiscal year 1975 the Endowment was able to fund only one out of five applications, although one in two was judged deserving of support.

The number of good applications has grown each year. Taking account of this, and of inflation, we can see that the requested appropriation will simply maintain the current level of assistance to the humanities and the public served by them. It is a stationary budget; and it works out at .004 percent of all funds budgeted for Federal research and development.

The Endowment has supported library systems, museums, State and local history organizations, television and print media, trade union, professional, and civic groups. The Nation's humanists now work with a large proportion of the adult population. On a scale undreamed of 10 years ago, the humanities have become private and public assets.

The impact of such programs may be seen in record-breaking attendance at NEH-supported museum exhibitions like the Chinese and Russian archaeological exhibitions. Or in the latest series of "Courses by Newspaper", carried free of charge by 450 newspapers with a readership of 45 million. Or in a Bicentennial series of State histories now coming off the presses. Or in State-based programs which this year will see 12,000 humanist scholars engaged in projects serving 21 million adult Americans.

Two projects of broad impact have also achieved what is rare in the nature of the humanities, a certain visibility. The American Issues Forum has become the largest public-participation program in the Nation's history, supporting serious observance of the Bicentennial. And "The Adams Chronicles", on public television, is delighting and instructing millions by its authenticity.

The Bicentennial is generating a new wave of interest in the old promises of America. The proposed budget provides support toward those promises as we enter the Nation's third century.

#### NEH BUDGET

Senator STEVENS. I might say that in the decade you fared equally well as far as these increases are concerned. As a matter of fact, 10 years ago your total budget was \$2,106,278 and your request this year is for \$87 million. So it appears that the increase is even more dramatic than the Endowment for the Arts.

In other than a concept of parity, which we can understand, what is the specific justification for the \$7.5 million increase that you requested this year?

Dr. BERMAN. Senator, we plan to keep abreast of current enterprises in the humanities, to keep abreast of the corroding effects of inflation and to try to adjust some priorities. The State-based program of the Endowment is probably the largest and most effective way, and I think the most equitable way—of putting money into all of the States for their local projects.

To that end, we have designated the largest portion of the Endowment's proposed increase.

#### STATE-BASED PROGRAM

Senator STEVENS. Now let me ask you right there—that has steadily been increasing at \$2 million more each year. How do you get that figure, \$2 million fiscal 1976 over 1975, \$2 million more 1977 over 1976? What is the magic of the \$2 million in that State-based program?

We would like to get some reason for the \$2 million figure. Why shouldn't it be \$10 million or why shouldn't it be \$500,000?

Dr. BERMAN. You are entirely right in pointing to that, Senator. I think it can be put this way. The figure is not a steady \$2 million increase, but it is the result of our estimating how much more money can go into the States based on the amount of direct funds or outright funds that are appropriated to the agency.

When you break the figures down, dividing \$17 million by 50 States, and perhaps by the territories, we get rather low-average grants. We are hoping to give the States about \$340,000 each on the average, although the amount will actually differ between States. So that fairly substantial sums are necessary since every time we have an increase, it must be divided 50 ways.

I think the \$2 million is coincidental. It really reflects the amount of money we think we can add to a structure of grants that in order to be effective does need a certain amount of annual increase.

Senator STEVENS. Your program goal for fiscal 1977 in the State-based programs is to make them fully operational in all States and territories. Where do you stand in that respect at this time? Which States and territories are lagging?

Dr. BERMAN. The State-based program has been operational in all 50 States since September 1975, and we are ahead of schedule in the five special jurisdictions. We foresee no difficulty in involving the jurisdictions in the program during the fiscal year 1977.

A committee has been formed and has received a planning grant in Puerto Rico. Letters of invitation are in the final stages for Guam, the Virgin Islands, and American Samoa. Discussions with the District of Columbia, where the Endowment has committed significant funds for community programing, will take place early in fiscal year 1977.

#### STATE-BASED PROGRAM INCREASES

Senator STEVENS. Can you give us any estimate of how much more you feel State-based public programs should increase in the future?

Dr. BERMAN. Well, we have been advised, sir, by the Congress that it should represent a healthy share of the Endowment's total budget. Somewhere around 15 or 20 percent are the figures that have been discussed in the past few years.

I think then that one determinant is going to be the total budget of the Endowment as per congressional interest in this program. And the second determinant would of course have to be the amount of money necessary to perfect the business of the humanities in each State.

At \$340,000 per State for fiscal 1977 we are able to effect a certain amount of grants to local institutions, like community groups, libraries, archives, et cetera. I think, however, in order to be really effective that could be expanded—well almost exponentially.

I don't see in the future being able to put enough money in the public program if we are to keep it as a kind of ratio of the total budget of the Endowment. Because if we were to keep giving it, let us say 20 percent of what the Endowment gets each year, and if we know that the State-based program can use two or three times what it already gets, that leaves us with a kind of open-ended vista for funding that the Congress may not find very attractive.

It can use, however, more money than by that fixed ratio we can supply.

#### AUTHORIZATION BILL

Senator STEVENS. Where is your authorization bill now?

Dr. BERMAN. The authorization, sir, has already been discussed before House and Senate committees, and is now in the process of deliberation within the two bodies.

Senator STEVENS. What is the projected level of funding?

Dr. BERMAN. The projected level is just the same as it is for 1976, \$113.5 million in definite program funds.

Senator STEVENS. Is there going to be any impact on the authorization of this budget, anything that is specifically authorized that is not in your budget?

Dr. BERMAN. No, sir. We have no major changes of which we have been notified and to which we cannot adjust the budget.

Senator STEVENS. Would you be certain to give us an indication if you feel there is any change required in your budget request by virtue of the authorization?

Dr. BERMAN. Yes, we will.

## GRANT APPLICATIONS

Senator STEVENS. What about your applications for assistance? We discussed that last year, you will recall. Your volume continues to increase, I understand. How do you handle that increase, that rate of applications, and what is your review process on the increased rate? How do you screen them?

Dr. BERMAN. There are two ways, of course, in which the increased volume of applications would affect this Endowment. One is quite plainly to overwork the staff. We do not have a corresponding administrative increase, nor a corresponding increase in the ceiling of personnel; so that the same number of people who last year handled one amount of applications must now handle a significantly increased amount.

As for review itself, we are able to carry in our files the names of several thousand people who in this country we believe are experts in the conduct of the business of the humanities. These are museum curators, librarians, scholars in the humanities, people attached to various forms of editing of publications, and even of course, a good many people outside the direct academic environment, members of the informed public.

We could not function without the assistance of this very large number of people. The typical arrangement is for all of our applications to go through a primary screening before a group of as many as 8 to 10 of these people who are convened in Washington in order to go through dozens, even hundreds of these applications.

They then grade these and suggest to the Endowment which of these are fundable. At times a second panel is convened if the number of applications demand further review.

Finally, Senator, the review process is consummated by the work of the National Council on the Humanities, which is very much a working body, and whose legislation stipulates that they must serve as a body to review all applications coming before the Endowment.

## PROGRAM FUNDING LEVELS

Senator STEVENS. Do they set quotas on any particular program area? Do they have levels of funding predetermined?

Dr. BERMAN. The levels of funding for each grant are not predetermined, sir, but the amount of money we have to spend is predetermined.

## RADIO PROGRAMING

Senator STEVENS. For instance, we notice in the media programs you have the added emphasis on radio programming. What led to that?

Dr. BERMAN. Well, the Council and the staff have for a long time been thinking about better ways to reach the adult public. And it strikes us that radio has been much underused, not only in the country at large, but by the agency itself.

It is not especially expensive to use radio for humanistic production—somewhat less expensive even than public TV. It reaches a great deal of people, and there is a great deal of interest and willingness in the educational world to see if radio can be adapted for more serious purposes than it really is being used for now.

Senator STEVENS. How is the impact of radio programing assessed?

Dr. BERMAN. The Endowment's support for radio projects within the media program is assessed in terms of the capacity of program producers and radio organizations to develop significant programs in the humanities for local, regional and national adult audiences. Currently, there are over 70.8 million radio sets in homes—a 99.9 percent—and automobiles throughout the United States, thus providing an extremely fine opportunity to offer the humanities to every adult and to enhance public inquiry and discussion of the full range of interests and ideas that are of concern to the whole of our society.

More specifically, radio programing can and does reach a substantial part of our population which has had very limited access to the resources in the humanities because of geographic location, nonexistence of television and film facilities as an alternative method of receiving this information, reliance upon radio because of physical handicap—8-10 million blind and print handicapped citizens—the unavailability of humanities resources in a bilingual form for more than 11 million Spanish-speaking citizens, and limited access to the broad array of cultural institutions which could provide for the greater use of the humanities to the adult public.

Radio programing can address these limitations by offering a number of imaginative humanities programs at a significantly lower expense than many other means of disseminating information.

To cite but one example, the national radio series "American Issues Radio Forum," which has been examining fundamental historic and philosophic issues during this Bicentennial year, has stimulated such widespread interest and discussion that well over 3,000 listeners to date have participated in the radio programs with humanities scholars and almost 200,000 people have requested copies of the discussion guide and bibliography prepared in conjunction with the series.

Although statistical information provides some guidance as to the potential impact of humanities programs on radio, it is finally the quality of program material developed and the public response and use of that material that warrants further support.

#### TELEVISION SUPPORT

Senator STEVENS. What is the total television support funding in your fiscal year 1977 budget?

Dr. BERMAN. \$6.5 million is specifically set aside for television. \$5.3 million are in the budget for development of humanities programing designed to reach the general adult public in the media program. In addition, the Office of Planning is given special priority to the exploration and development of new uses for television as a means to communicate humanities curriculum. \$1.2 million is allocated to this.

Throughout the rest of the Endowment, it is possible that projects involving television will receive support; however, no funds are budgeted for television. Such projects would result from unsolicited applications and would only be supported if in the minds of reviewers they received high priority status.

Senator STEVENS. What is the balance between radio and television in your budget request for 1977?

Dr. BERMAN. The increase is for radio, sir, but the preponderant amount of course goes to television. We have \$5.26 million indicated for television, and about a tenth of that—no, about an eighth of that for radio.

#### MUSEUM PROGRAMS

Senator STEVENS. Have you sidelined your program in the museum assistance program for personnel development?

Dr. BERMAN. Well, we plan to do less in the way of personnel development, Senator, than in other aspects of aid to museums, although we still have \$600,000 put aside for training of professional and volunteers to assist in bringing museum programs to a general public.

Senator STEVENS. Is there anything in this budget for the personnel development program?

Dr. BERMAN. Yes, there is, sir, the sum of \$600,000 specifically set aside for training.

Senator STEVENS. That is less than before?

Dr. BERMAN. John Barcroft, could you respond to that?

Mr. BARCROFT. Not substantially, Senator. The only change is for a decade the Endowment has been putting and making small grants for universities and museums jointly for graduate fellowships to train museum personnel. A rather intensive review of that aspect of the personnel development program by the National Council on the Humanities over the last few years, and by professionals in the museum communities, suggests that that particular aspect of the program has probably reached its useful level of activity.

The number of jobs for those people is, in fact, not growing. The question of cost effectiveness in terms of a graduate fellowship, and indeed the question of whether the Endowment ought to be forever in the business of providing graduate fellowships was of concern to the Council. So that part of the museum personnel development program is being phased out, and that is roughly \$200,000.

However, the overall budget commitment to various kinds of seminars, workshops, in-service training programs for museum personnel continues. And the budget change is not significant between 1976 and 1977.

#### SUPPORT FOR HIGHER EDUCATION

Senator STEVENS. How much of this total program goes to fund colleges and universities or individuals associated with the universities and colleges? Do you have a percentage level?

Dr. BERMAN. We have a rough sense of that, Senator. The policy of the Endowment has been to try and serve the public world and the academic world equally. The preponderance is on the side of the public. My guess would be that approximately 40 percent of our funds goes to strictly academic individual institutions.

Senator STEVENS. Would you break it down for us for the record in terms of level of support in that area?

Dr. BERMAN. Yes.

[The information follows:]

NEH Support of Academic and Non-Academic-Oriented Activities in the Humanities

The Endowment supports both scholarship in the humanities and public understanding and appreciation of the humanities. The table below indicates that NEH funds are approximately equally divided between these two functions with slightly more funds going for the support of non-academic activities.

NEH FY 1977 Definite Funds by Purpose  
and Program Element  
(in thousands)

<u>Purpose</u>	<u>FY 1977 Funds</u>	<u>Percent of FY 1977<sup>1/</sup> Definite Funds</u>
<u>I. Academic Activities</u>	<u>\$35,450</u>	<u>46.6%</u>
<u>a. Production of Knowledge</u>	<u>14,300</u>	<u>18.8</u>
1. Centers for Advanced Study	400	.5
2. Ind. Fellowships	3,000	3.9
3. Summer Stipends	400	.5
4. Research	10,500	13.8
<u>b. Formal Education and Faculty Development</u>	<u>21,150</u>	<u>27.8</u>
1. Education <sup>2/</sup>	15,500	20.3
2. College Teachers	2,600	3.4
3. Summer Seminars	3,050	4.0
<u>II. Non-Academic Activities</u>	<u>40,757</u>	<u>53.5</u>
<u>a. Public Understanding</u>	<u>34,700</u>	<u>45.6</u>
1. Public Programs	34,200	44.9
2. Dissemination (OPA)	500	0.7
<u>b. Special Non-Academic Sectors</u>	<u>6,057</u>	<u>7.9</u>
1. Cultural Institutions	900	1.2
2. Professions	1,650	2.2
3. Youth Programs	750	0.9
4. Development <sup>3/</sup>	2,757	3.6

<sup>1/</sup> Excludes PD&E funds (\$2,293,000) and Evaluation-Analytical Studies funds (\$1,000,000). Therefore total used is \$76,207,000.

<sup>2/</sup> Excludes Cultural Institutions.

<sup>3/</sup> Development projects conducted by the Office of Planning.

## UNOBLIGATED BALANCE

Senator STEVENS. You show an unobligated balance of \$12.7 million at the end of 1975, and you have a footnote explanation. We would like to have a more complete statement for the record.

You now say that funds were committed, however. When did you fully obligate those funds?

Dr. BERMAN. After the Council meetings toward the end of the year.

Senator STEVENS. Can you give us an explanation of what happened to the \$12.7 million?

Dr. BERMAN. Also it should be pointed out, Senator, that about half of that money is gift and matching money coming into the Endowment from the outside, but arriving late. So we are really not talking about \$12 million, but more like \$6 million.

Senator STEVENS. I see.

[The information follows:]

## THE APPEARANCE OF A LARGE CARRYOVER

The Endowment parcels out its monies through grants awarded to institutions and individuals. The grants are the mid-point in two long processes: (a) the application-review process and (b) the grant period.

Four times during the year the National Advisory Council meets and advises me on the merits of nearly all applications and their priority. The meetings roughly approximate the four seasons and so one meeting—for last time this year, the May meeting—comes very close to the end of the fiscal year.

Frequently, the Council advice comes in the form of a recommendation for approval pending satisfactory answers to one or more questions. For a fellowship this poses little lost time, but for projects as complicated as the Adams Chronicles or a major international exhibit, months can pass before the project is ready and fully in accordance with the Council's recommendation.

NEH prefers as a general policy to show a carry-over and take our chances than to hurry into projects that are not ready.

As to this specific year and its carry-over, it should be noted that the monies are almost equally divided between definite and indefinite funds. In both areas, much of the carry-over results from projects approved but received too late in the fiscal year to have monies obligated. Let me offer a concrete example: at its May meeting the National Council approved funding for a large media project. It was clear from the end of May that while we would support this project and support it with fiscal year 1975 monies we could not possibly obligate the monies before the fiscal year ran out.

In the case of indefinite funds, NEH has had its hands full continuing to attract larger and larger sums of gift monies. There is less in the way of public constituents—business or local groups—support for humanistic activities. We have done remarkably well thus far and believe we should keep up the higher ceiling as a means to spur on greater private support.

Thus, this year our carry-over results from a variety of forces: (1) our calendar of meetings, (2) the difficulties in tidying up the paperwork for a fiscal year within the year, (3) the still incipient state of private gift-giving for humanities endeavors, and (4) our own preference for careful, deliberate staff administration of our work.

On this last point let me add, we could if Congress wished look for shortcuts but it is my understanding you would not desire such a move. Moreover, the very presence of carry-over rather than one-year monies reinforces our belief that the Congress prefers our approach.

## MATCHING FUNDS

Senator STEVENS. What is the status of private donations in your attempt to match this indefinite appropriation? Will you be able to match the amount this year?

Dr. BERMAN. We are never certain, of course, given the state of the economy, sir, whether we will be able to match. Up to now every year we have done it. This year we have about \$2.5 million, and we trust that with increased effort we can, as a matter of fact, fulfill that particular quota.

Senator STEVENS. You have expressed some doubt about it in your statement. Do you anticipate any real difficulty in matching that by June 30?

Dr. BERMAN. I think there will be difficulty, Senator, but we are going to try. There is not that much discretionary money among the cultural institutions we deal with, sir. They are of course all nonprofit, and they certainly depend for their money on a variety of sources that have been somewhat dried up by the economy.

When there is a general economic recovery, I anticipate it will be a good deal easier job of getting the money. Right now we are working under the assumption that with difficulty, we will in fact match our quota.

#### "ADAMS CHRONICLES"

Senator STEVENS. We discussed yesterday the "Adams Chronicles." They have been very well received, as you know, and appear to be very well done. What is the cost to the Humanities Endowment for that project?

Dr. BERMAN. Senator, the Humanities Endowment put in \$2.8 million in Federal funds. However, the total cost of the operation is in the neighborhood of \$7 million. So that \$4 million plus came from the private sector. The gifts were essentially from the Mellon Foundation and the Atlantic Richfield Oil Co. This would have to be an example then not only of a critical success, but of real financial success on the part of the Endowment in raising a big chunk of the money.

Senator STEVENS. That was a fairly substantial portion of your money, though, wasn't it, a very expensive target?

Dr. BERMAN. Yes, sir, it was. But of course we did not obligate it all in 1 year. It has taken place over several years. The program has taken as much as 4 years to develop.

Senator STEVENS. Do you anticipate a continuing role in that type of activity?

Dr. BERMAN. Yes, Senator, we do. We are trying to put aside funds right now for other series in TV, both production and acquisition. The "Adams Chronicles," of course, is the best known of the things being done, but we do over the past 3 or 4 years have a kind of burgeoning tradition—

Senator STEVENS. Well, in view of the success of the "Adams Chronicles," do you think it is necessary for Federal involvement in the future?

Dr. BERMAN. Well, there are two kinds of Federal involvement. One would be through the Corporation for Public Broadcasting, which supports public television technology and general kinds of programming. I don't think this Endowment would be qualified for that. But I do think the Federal Government, through NEH can take a very leading role and a very productive one in humanities programming, which is solely what we do.

The reason I say that is not only the effectiveness of what we do, but the relatively small amount of money invested. The money we have put aside for TV media is almost unnoticed in the Federal budget, and even in the world of television it would stand for a very small amount. Yet it has tremendous effect.

Senator STEVENS. I understand that, but \$2.5 million shows up pretty strongly out of your total of \$73 million.

Dr. BERMAN. Yes, sir, it does.

Senator STEVENS. For one project.

Dr. BERMAN. Yes, except that when we divide this over the 3 or 4 year period over which the money was given, what we really have is an amount closer to \$500,000 per year.

#### NEW YORK PUBLIC LIBRARY

Senator STEVENS. What is the situation with regard to the New York Public Library? It is still a private institution, isn't it?

Dr. BERMAN. Yes, sir, at least as regards its research collections.

Senator STEVENS. What is your level of support for that?

Dr. BERMAN. Well, there are several reasons that invite us to consider application and support of the public library. One of course is that its research facilities perform an enormous public service, and although located in New York, are acknowledged even by its rivals, other libraries in other places, to be fundamentally a national organization. An enormous amount of use is made of this by scholars from every State. And, of course, it serves free of charge in attracting and serving all of these people.

Senator STEVENS. Well, why should that continue? Why shouldn't they charge?

Dr. BERMAN. Well, there are attempts made now by the public library to consider surcharges of various kinds for uses. For example, they have gone into discussions with local New York universities or business firms to make blanket charges for large numbers of corporate or university users. I do not know the present state of those discussions.

The library also raises a considerable amount of money now from the municipal and I think the State government. In addition, it raises even a larger amount from the private sector.

I should point out that they are not on permanent subsidy by any manner or means from any agent. The money that we give them comes in whenever a competitive application from the library is judged worthy of support, and very heavy amounts of gift and matching money are involved.

#### SUPPORT TO NEW YORK AND CALIFORNIA

Senator STEVENS. We show in your 1974 total for grants by States, that New York is shown to receive \$8.6 million, approximately 21 percent of the total. California followed with 10 percent. And those two States roughly had 30 percent, or almost one-third.

The trend shows that your support of New York is going up.

Dr. BERMAN. For 1975, Senator, we have been able to establish that 13 percent of NEH funds went to New York rather than the higher figure.

Senator STEVENS. We would like to have you give us an account for the record, and should we anticipate these large population regions are going to absorb more and more of this budget?

Dr. BERMAN. We hope not. We would be happy, of course, to supply the figures.

[The information follows:]

TRENDS IN NEH SUPPORT FOR NEW YORK AND CALIFORNIA

Relatively fewer NEH dollars went in FY 1975 to the support of California and New York projects than in FY 1974.

—in FY 1974 New York received 21% and California 10%.

—in FY 1975 New York received 13% and California 8.8%.

Dr. BERMAN. There are a couple of reasons, of course, why money tends to collect around places like New York State and New York City. One, of course, is the matter of population that was mentioned in the previous hearings.

A second is a matter I briefly referred to, that certain places become national service centers, or national resources. The million people who come into the Metropolitan Museum for an exhibition are far from all being New Yorkers. Since New York is a great center for national tourist exchange, a lot of people from the rest of the States have an opportunity to see the treasures that are collected there.

A lot of national organizations have headquarters in New York. For example, we are in the odd position of sending a stipulated and recorded amount of money to the Center for the Editing of American Authors for a very large project of the Endowment. But that money is rerouted almost instantly out of New York to the State of South Carolina and other States where the actual work is being done.

Senator STEVENS. We just want to be assured that we are not in some indirect bailout program for New York. Please submit for the record a distribution of your grants by state for 1975.

Dr. BERMAN. Certainly.

[The information follows:]

## Fiscal year 1975 grants by States

State	Total
Alabama	\$178,500
Alaska	310,000
Arizona	450,702
Arkansas	74,000
California	6,380,082
Colorado	991,618
Connecticut	1,586,098
Delaware	531,583
D.C.	1,286,732
Florida	1,126,543
Georgia	528,600
Hawaii	287,000
Idaho	243,002
Illinois	6,287,494
Indiana	1,815,782
Iowa	567,027
Kansas	319,926
Kentucky	576,939
Louisiana	370,180
Maine	114,933
Maryland	933,875
Massachusetts	4,088,588
Michigan	1,515,840
Minnesota	1,441,652
Mississippi	574,038
Missouri	1,692,100
Montana	352,203
Nebraska	612,580
Nevada	245,465
New Hampshire	363,812
New Jersey	956,949
New Mexico	647,103
New York	9,715,384
North Carolina	1,054,105
North Dakota	296,164
Ohio	2,746,772
Oklahoma	312,074
Oregon	543,640
Pennsylvania	1,956,063
Puerto Rico	14,000
Rhode Island	658,041
South Carolina	333,088
South Dakota	536,342
Tennessee	485,060
Texas	2,208,447
Utah	389,737
Vermont	259,331
Virginia	1,053,547
Washington	955,002
West Virginia	259,980
Wisconsin	1,058,492
Wyoming	355,000
Total	62,641,215
National organizations	9,599,567
Grand total	72,240,782

## NEW YORK PUBLIC LIBRARY

Senator STEVENS. For instance, wasn't the New York Public Library supported by the State for a while?

Dr. BERMAN. It was not actually, Senator. And due to the new and vigorous efforts to get public and private financing over the last three years—and I think really emanating from our first and historic assistance—tremendous efforts were made by their administration to contact State and city. Within the last 2 or 3 years they were successful.

Senator STEVENS. What level of support is estimated in your fiscal year 1977 budget for the New York Public Library?

Dr. BERMAN. No formal application involving fiscal year 1977 funds has been received, and as you know the Endowment operates through an application-review process. Let me add this does not mean we will not receive an application from the New York Public Library but that no funds have been specifically set aside in the budget.

#### UNIVERSITY OF NORTH CAROLINA PRESS

Senator STEVENS. Senator Byrd has received a letter from the University of North Carolina Press concerning requests from the Association of American University Presses for support from the Humanities. Do you have any funding for that group in fiscal 1977?

Dr. BERMAN. We do indirectly, Senator, but in the form of a study, a rather large and extensive study engaged in cooperation with private foundations to study the problems of the university presses. In addition, the Endowment staff itself is trying to determine now what kinds of further assistance might be useful.

#### UNIVERSITY PRESSES

Senator STEVENS. Do you anticipate any efforts to assist in the publication of research done under your grant by university presses?

Dr. BERMAN. This has been a matter we considered for a long time. It is simply going to have to depend on the recommendations of both of these studies. We are very reluctant to undertake publication aid before we are entirely sure of where it might lead us.

Senator STEVENS. Do you make publication subsidies available to scholars?

Dr. BERMAN. No, sir, we do not. The Endowment has stopped short of any production cost in publication. We do not pay for printing or binding or advertising. We now only pay for the actual scholarly work that goes into editing and research.

Senator STEVENS. The Adams Letters, did you finance any part of those?

Dr. BERMAN. We did not finance those, sir. That was undertaken by a private press and in conjunction of course with our TV program—a good example of how the private and public can work to get there.

Senator STEVENS. What does happen to the end product of your research grant?

Dr. BERMAN. We trust that the ones that are good enough will attract private publication so that if we give money to a scholar by means of a fellowship, and if his work is good enough, he will submit it to either a trade or a university press. And through the private sector, and at their expense, he will get it published. This is a traditional mode in humanistic scholarship.

#### MATCHING FUNDS

Senator STEVENS. Do you anticipate any difficulty in matching the funds that you have requested for 1977?

Dr. BERMAN. I think that it will be a little easier based on one guess, and on one item that is somewhat more than a guess. If we

have a larger base of outright funds it stands to reason that we can do a bit more in attracting private funds if the ten percent increase should come through.

Senator STEVENS. What is your ratio—I asked Miss Hanks about her ratio—what is the ratio of yours?

Dr. BERMAN. Roughly 10 percent in the gift allotment. In other words, our outright funds are about \$80 million. The gift limit is about \$7.5 million.

Senator STEVENS. I mean in terms of your matching grants now. What is your ratio in terms of matching grants? Do you have these incentive grants?

Dr. BERMAN. Yes, we do. Basically 1-to-1, with exceptions; for example, the New York Public Library which we feel is capable of raising more money. We are trying now also with an institution in Chicago to see if that amount of money can be raised to a 2-to-1 ratio.

Senator STEVENS. Am I to understand your statement that in your area you feel that a mandatory requirement above the 1-to-1 level would be self-defeating?

Dr. BERMAN. It would be very hard to do, Senator, because cultural institutions in this country are among those hardest hit by the current economic difficulties; and indeed since they are all virtually nonprofit, have at any time, even in a good economy, great difficulty in making ends meet.

Senator STEVENS. What about the project grants? You had more than that, 4-to-1 on the "Adams Chronicles," as I understand it.

Dr. BERMAN. There will be individual projects, sir, that are more successful than others. I think that the large amount of work that everybody put in on the "Adams Chronicles" indicated to us that it would have a good viewing and economic future.

Examination of the conditions of the New York Public Library also indicated that it had a large local, large regional public who would be willing to pay to match grants.

But once we start talking about the geographical distribution of the Endowment funds, we find that we are giving it to regions that are often quite short on money, to organizations, to small colleges, historical associations that really don't have access to private funds. The best we can hope for is that over the years the Endowment generates a private conscience of a need to add their funds to ours.

#### NATIONAL COUNCIL ON THE HUMANITIES

Senator STEVENS. Does your advisory council have any standard for the grants in terms of the category of individual as opposed to projects, like the "Adams Family Chronicles"?

Dr. BERMAN. We have a general sense that there has to be some kind of balance, but since so much comes in the mail in the way of applications, that is very difficult to determine in advance of the year how many individual grants as opposed to project grants should be made and on what basis.

It stands to reason that some of our divisions like fellowships will be alone with individuals, just as it stands to reason that another of our divisions, education, will deal only with institutions. But within the other programs, we never do project exactly the breakdown.

## DETERMINANTS OF PRIVATE SUPPORT

Senator STEVENS. What I am searching for is do you require a commitment of greater nonfederal support in areas such as the "Adams Family Chronicles" before you commit the Federal money?

Dr. BERMAN. Yes, sir.

Senator STEVENS. What level is that?

Dr. BERMAN. Our experience indicates that we have been able in media presentations so far to attract private funds that, I would say go from at least a third to an equal amount of what we put in or even more.

Senator STEVENS. Could you give us an example?

Dr. BERMAN. Yes, I can.

Senator STEVENS. This is going into the film institute area. It seems that there is a heavy concentration of moneys in the film industry. We would like to be able to answer those questions.

Dr. BERMAN. We can give you a list of all of our media matches.

[The information follows:]

## MEDIA MATCHING PROJECTS

For fiscal year 1975 NEH supported the production phase of twelve projects, of which two were exclusively funded through gifts and matching. All projects, in compliance with the Media Program guidelines, are encouraged to share costs either in the form of remitted institutional expenses or by donating staff time, facilities, secretarial assistance or other services, or other budget items.

The two projects funded solely through gifts and matching for their production phase in fiscal year 1975 were: (1) "The Adams Chronicles" and (2) "Washington with a View to the Past."

## (1) "The Adams Chronicles"

The total cost of this project was \$7,123,475 including planning and production. The project took more than five years to see through completion. WNET was the grantee.

The total funding for the project breaks down as follows:

(a) Total NEH funding .....	\$2,855,475
Outright .....	1,330,475
Federal share of G. & M. ....	1,525,000
(b) Total gifts (of G. & M.) .....	1,525,000
Andrew Mellon Foundation .....	1,500,000
Exxon Corp. ....	25,000
(c) Outright gift to WNET from Atlantic Richfield Co .....	1,200,000
(d) WNET Cost-sharing .....	1,543,000

## (2) "Washington with a View to the Past"

This project was developed by the United States Capitol Historical Society and expected to cost in excess of \$400,000 when completed. NEH's total contribution was \$145,440 of which \$72,770 was in the form of a match of private gifts of an equal amount. In addition, the National Park Service made a \$200,000 outright to support the early phases of the project.

Senator STEVENS. We do have some additional questions of a technical aspect and others of your budget, Dr. Berman.

We appreciate your response, and we congratulate you for your efforts. I think that you, too, are doing an outstanding job. I just hope that you will continue to provide us with the background to justify the continuing increase.

You know, it is an interesting thing. I don't know of any area of the budget that has gone like this, \$2 million, then \$3.8, then \$4.9, then \$8, then \$13, \$28, \$51, \$73, \$87 million. That is a continual increase in a period of declining budgets, and it is getting tougher and tougher to defend them. So we urge you to give us full answers to our questions.

#### YOUTH PROGRAMING

Senator STEVENS. Your justification describes your youth grants program as successful. Why, then, are you reducing the program by \$55,000, nearly 50 percent?

Dr. BERMAN. During fiscal year 1976 \$750,000 was committed to support the Bicentennial youth debates. This program, initiated by NEH, involves high school and college age youth in the study of American history and the presentation of their considered opinions in various forms of colloquy. The project will be concluded in fiscal year 1976.

The other two areas of youth programing will receive increases. The Youth grants in the humanities program, which supports projects designed and carried out by young people is in the budget for \$300,000. In addition, \$450,000 is planned to support projects administered by institutions to involve large numbers of young people in humanistic activities.

#### ADMINISTRATIVE COSTS

Senator STEVENS. How do you explain the decreases of \$107,000 for "Positions other than permanent"? Does this represent a significant reduction in use of temporaries?

Dr. BERMAN. The object class 11.3, "Positions other than permanent," represents compensation for several categories of employment: (1) part-time and temporary staff; (2) council members; (3) panelists; and (4) consultants. In order to remain within the constraints of the budget ceilings, yet provide sufficient funds in other object classes to meet the demands on the Endowment, significant cuts had to be made in the category of personnel compensation. As a result minor cuts have been made in the utilization of temporary staff employees. The reduction of \$107,000 is primarily in the areas of panelist and consultant compensation. Although the number of applications is increasing, panelists will be asked to review a greater number of proposals than ever before without increased compensation and in some cases more disciplines will be covered by single panels. More use of consultants without compensation will have to be made particularly in the Division of Education Programs. Nevertheless, we will have to pay their travel expenses.

Senator STEVENS. Your travel request doubled between fiscal 1975 and fiscal 1976, and now you are requesting a further increase of \$114,000. How do you justify this increase which would bring your travel funding to 19 percent of your total budget?

Dr. BERMAN. Travel costs are for staff, council, panels and consultants. Staff travel costs will, in fact, be reduced as a result of economies required by OMB directives. The continuing increased cost of commercial transportation is reflected in the fiscal years of 1975

and 1976, but provision is not made in the fiscal year 1977 budget for even more expected increases.

The additional amount of \$114,000 is directly attributable to the additional travel time required for panelists to review proposals and for the additional consultants needed to perform site visits to evaluate projects and proposals because of reduced staff travel.

For example, now that the consultant program in the Division of Education Programs has been implemented it will be necessary to conduct regional meetings. Six regional meetings involving 176 consultants who must be brought together to get input from members of the National Board of Consultants—who have been working at colleges and universities throughout the country—in order to get a sense of the types of problems under scrutiny and the kinds of programs being developed, to get advice on suggested changes in the consultants program, and to foster continued contact between the Endowment and the National Board and bring them up to date on new developments.

Senator STEVENS. Your "Other services" object class increases by one-third—could you explain the necessity for this increase?

Dr. BERMAN. The increase in Other contractual services is due to several factors. I will supply details for the record.

[The information follows:]

(1) (\$30,000) Timesharing: Our Grants Information System is presently being converted from the manual McBee system to an automated data processing system. Timesharing will be used for fiscal year 1977 as we explore and develop a Management Information System for the Endowment. An estimated \$600 per week will be necessary to maintain the Grants Information System and to develop and test automated systems covering other NEH operations (e.g. applications, panelist selection, budget analysis).

(2) (\$80,000) Contract: A contracted study of the Endowment's Museum Program within the Public Program's Division. The contract will allow for (1) a ten-sample selection of museums, (2) a methodology for evaluating humanities programs, and (3) the carrying out of the study.

(3) (\$25,000) Contract: During the past three years the Division of Research Grants has had to respond to particularly complex grant requests that required information gathering and evaluation that far exceeded the capabilities of independent specialist review or panel consideration. Examples would be a very large scale request for the funding of a program of the translation of foreign scholarly works which will require over a year's study by a single consultant to canvass all available data and interview selected individuals about the advisability of funding and on what bases. Staff at the Endowment are not able to offer either the time or the particular expertise to carry out such a thorough investigation.

(4) (\$125,000) Intergovernmental Personnel Act (IGPA): Five experienced academicians qualified to form and chair panels; and to review and evaluate completed awards will be used in the program divisions. These IGPA employees, on loan from educational institutions for one year, bring needed additional professional expertise and knowledge of our constituencies to the staff while gaining experience at the Federal government level that will be useful to them upon return to their faculty jobs in terms of grants administration, increased exposure to multi-discipline humanistic proposals, and professional contacts that, in all, are expected to contribute to better understanding between academics and Government agencies, better curricula development and teaching standards.

#### SHARED STAFF

Senator STEVENS. We have a few questions on administrative expenses of the shared staff. I believe Mr. Paul Berman is the witness.

The committee staff informs me that there are some discrepancies in the justification regarding object class summaries. Would you please submit corrected pages for the record?

Dr. BERMAN. We would be happy to, Senator Stevens.

[The information follows:]

SHARED STAFF11.1 PERMANENT POSITIONS

FY 1976 - \$1,982,200      FY 1977 - \$2,083,000  
 Increase - \$100,800

No additional personnel are requested.

11.3 POSITIONS OTHER THAN PERMANENT

FY 1976 - \$328,000      FY 1977 - \$264,600  
 Decrease - \$63,400

This amount represents projected part-time and temporary employment costs.

11.5 OTHER PERSONNEL COMPENSATION

FY 1976 - \$39,400      FY 1977 - \$30,800  
 Decrease - \$8,600

Overtime estimates are based on experience to date and reflect seasonal variations in Foundation workload.

12.1 PERSONNEL BENEFITS - CIVILIANS

FY 1976 - \$217,900      FY 1977 - \$234,800  
 Increase - \$16,900

This amount will finance personnel benefits including contributions to the Civil Service Retirement Fund, Social Security, Health Services, and Federal Employees' Group Life Insurance.

21.0 TRAVEL AND TRANSPORTATION OF PERSONS

FY 1976 - \$31,000      FY 1977 - \$36,300  
 Increase - \$5,300

This reflects the necessary travel costs for the Audit Staff, Grants Office personnel, and General Counsel personnel, as well as local travel costs for the entire Foundation staff.

22.0 TRANSPORTATION OF THINGS

FY 1976 - \$3,000      FY 1977 - \$5,600

Increase - \$2,600

This sum is required to cover charges for the transportation of things. It includes postage used in parcel post and reimbursement of Government personnel for the authorized movement of household effects.

23.0 RENT, COMMUNICATIONS AND UTILITIES

FY 1976 - \$1,298,000      FY 1977 - \$1,542,100

Increase - \$243,100

This budget provides for \$890,000 for space rental, \$234,900 for rental of copying equipment and other machines, \$252,400 for local telephone service (including installation and service charges, long distance telephone service, telegraph service and \$136,000 for postage, and \$28,800 for parking space rental.

24.0 PRINTING AND REPRODUCTION

FY 1976 - \$40,000      FY 1977 - \$30,600

Decrease - \$9,400

This estimate will cover the cost of printing letterheads and envelopes for the Foundation, as well as the cost of the various Office of Management and Budget and Congressional submissions and administrative forms.

25.0 OTHER SERVICES

FY 1976 - \$378,900      FY 1977 - \$185,700

Decrease - \$193,200

This estimate for other contractual services includes the costs for employee training, \$16,400; building alterations, \$60,000; machine maintenance, \$20,000; audit services from other agencies, \$23,000; photo and art services, \$5,500; robotype, \$1,000; moving costs, \$6,000; ADP development, \$45,000; miscellaneous, \$8,800.

## OBLIGATIONS

Senator STEVENS. Transportation costs, object class 22, more than doubles. What causes this?

Dr. BERMAN. The increase from \$3,000 to \$6,000 is the result of our use of parcel and air freight service via the U.S. mail. Although transportation costs increase by \$3,000, the savings in postage is many times that amount.

Senator STEVENS. Rent and utilities increased by \$243,000. Is this due to space costs?

Dr. BERMAN. GSA charges for space remain the same. However, \$90,000 of the increase is the result of the fiscal year 1976 appropriation language forbidding this agency from paying more than 90 percent of GSA charges. The remaining difference is the result of increased costs for telephone service, postage, and equipment rental.

Senator STEVENS. Your estimate for contractual services decreases to less than half the fiscal 1976 level. What services have been eliminated?

Dr. BERMAN. We have reduced various items in this object class in order to absorb the increased costs in other areas. The reduced items include training, alterations, and a large reduction in our effort to create an automated management information system.

## ADDITIONAL QUESTIONS

Senator STEVENS. We have a series of questions submitted for both the Arts and Humanities by Senators McGee and Hatfield. I will give them to you and ask that they be answered for the record.

[The questions and answers follow:]

## QUESTIONS SUBMITTED BY SENATOR MCGEE

## WASHINGTON BALLET

*Question.* The Senate Committee report on the appropriations bill for the current fiscal year discussed the activities of a group known as the Washington Ballet. That report suggested that this group deserved the encouragement of the Foundation. Can you tell us what, if anything, has been done through the National Foundation to assist or encourage this group of artists? Has this group, or anyone on their behalf, contacted the National Foundation for possible assistance? If so, with what results? Are there any programs under your jurisdiction that could be utilized to assist groups such as the Washington Ballet?

*Answer.* The Washington Ballet is not currently eligible for Dance Program support in that it is not a fully professional company. However, the Director of Dance Program, Joseph Krakora, has met with Mary Day, Director of The Washington Ballet. Mr. Krakora explained the Dance Program funding categories and did suggest that Dance Program, Category B, Workshop Fellowships, might be a possible area of support. Under Category B, individual choreographic fellowships are awarded to aid in the creation of new dance works. The purpose of this particular program is to assist choreographers in the development and expansion of their art. Additionally, the purpose is to assist non-professional companies to expand and diversify their repertoires.

Mr. Krakora also suggested that Miss Day contact the Expansion Arts Program at the Endowment to discuss her interests and any possible areas of support under that program.

*Question.* Are you familiar with the performance of this group at the National Cathedral last summer? Are you familiar with its performance of the "Nutcracker" at Lisner Theatre during the recent Christmas season?

*Answer.* While I have not personally had an opportunity to observe these programs, members of the staff of our Dance Program are familiar with the work of the company.

*Question.* Are you familiar with the program they have planned for the Marvin Theatre, commencing this week and continuing for the next few weeks?

*Answer.* Yes. We have received notification and plan to have a staff member attend.

*Question.* As I understand it, their primary goal is to develop young artists, including both dancers, choreographers and related fields, and, at the same time, give the Washington area the opportunity to observe such talent. Are these goals consistent with the purposes of your program?

*Answer.* Development of talent is indeed important.

Traditionally, however, due to limited funds the Dance Program has not been able to support training. We can only support those companies which pay union minimum as defined by the union of jurisdiction, the American Guild of Musical Artists. The Dance Program of the Endowment does provide support to the National Association for Regional Ballet, a national service organization for regional and non-professional companies. Through its summer "Craft of Choreography Conference," the NARB provides performance opportunities. The Washington Ballet is a member of the NARB.

#### QUESTIONS SUBMITTED BY SENATOR HATFIELD

##### HUMANITIES FOLKLIKE SUPPORT

*Question.* In last year's report (94-462) on the appropriations for the Department of Interior and related agencies, the Committee found that "the Endowments' support for American folklife has been woefully inadequate," and directed the two Endowments to "expand and improve their programs in support of American folk culture."

How has the National Endowment for the Humanities responded to this expression of Committee intent?

*Answer.* As a result of the report, I instituted a review of NEH support in this area. This study reveals that over \$10.9 million of Endowment funds have been awarded to 463 projects pertaining to folk culture during the past nine years; \$4.5 million of this has been allocated during 1974-75. This amount is considerably more than was awarded to support projects in such traditional fields as philosophy and archeology.

If you will permit me, I should like to place in the record a complete listing of folklife/folklore grants. The listings reflect the serious interest in American folklore of the scholars, teachers, and students who are our principal constituents, and represent significant contributions to the national effort to make knowledge of the nation's past available and useful in the present. These awards have supported a wide variety of activities, including research, the collection of essential materials, and the development of educational materials in various media for students and for the general public.

We have been particularly pleased to observe that so many young people are interested in learning more about the roots of America culture by studying the traditional ways of the people in their region. And we hope that NEH grants in all divisions will encourage interest in, and knowledge of, our rich tradition of folk culture so that America will have an increasing number of well trained scholars and teachers of folk culture in the future.

[The listing was adopted by reference and retained in the Committee's files.]

##### HUMANITIES FOLKLIKE PROGRAM

*Question.* The National Endowment for the Arts has established a Folk Art Program to coordinate and administer its folklife projects. The National Endowment for the Humanities has no such program. Why not?

*Answer.* The Endowment has four divisions—Research, Fellowships, Education Programs, and Public Programs—each of which responds to applications in any subject area within the humanities. With the aid of expert outside reviewers, an application is considered in terms of its intrinsic merit as a contribution to humanistic knowledge. As our records show, folklore applications—whether to conduct research, prepare course materials, or enable a scholar to pursue study independently—have fared well in the competitive process.

The present structure enables NEH (with a small staff) to serve the best interests of the humanities and of the public, through concentration on the objectives established for us by Congress—that is, to support education, scholarship, and public activity in the humanities. The disciplines of the humanities are numerous, and there is a wide range of needs and problems within them; therefore, the Endowment has always sought to achieve its purpose through programs defined by function, rather than by subject area.

The Endowment has not established programs for particular disciplines or subject matters partly because the establishment of any such program would almost surely lead to demands for special programs from individuals, and institutions in other disciplines and subject areas, and partly because it would require additional staff and administrative costs which we are trying to hold down. Thus a proliferation of programs

focused on subjects would not serve the needs of folklorists or any other group as effectively as the present structure, focused on essential functions (such as education, research, and dissemination of knowledge to the public).

*Question.* How does the Endowment plan to work with the American Folklife Center to facilitate its operations and thereby increase their support for folk culture?

*Answer.* Further understanding and dissemination of American folklife is one of many important needs in the humanities. And as the Committee report on establishment of a center for American folklore said, "The general welfare of the nation is enhanced by the preservation, support, revitalization, and dissemination of American folklife traditions and arts." Consequently, we anticipate working with the new Center for Preservation of American Folklife recently established at the Library of Congress, and we will be in close contact with them to avoid any duplication and at the same time, to assure maximum effectiveness in federal support of this important area in American culture.

#### ARTS FOLKLIFE SUPPORT

*Question.* In last year's report (94-462) on the appropriations for the Department of Interior and related agencies, the Committee found that "the Endowment support for American folklife has been woefully inadequate," and directed the two Endowments to "expand and improve their programs in support of American folk culture." How has the National Endowment for the Arts responded to this expression of Committee intent?

*Answer.* The Arts Endowment is committed to developing and increasing its assistance in folk arts and folk cultural traditions. Our Folk Arts Program is growing, and the assistance of our other Programs in the area of folk arts is likewise increasing. We are pleased to have been able to respond to the will of the Committee, as it was expressed in last year's report, and we are anxious to continue developing our assistance in the future to this extremely important area.

#### AMERICAN FOLKLIFE CENTER

*Question.* How do the two Endowments plan to work with the American Folklife Center to facilitate its operations and thereby increase their support for folk culture?

*Answer.* The Arts Endowment welcomes the new commitment to folk cultural concerns represented by the creation of the American Folklife Center within the Library of Congress. We strongly supported the bill passed by the Senate and the House, and we have been in regular contact with officials at the Library of Congress since the signing of the bill into law by the President.

As you know, the law provides for direct participation of the Chairman of the Arts Endowment *ex officio* on the Board of the American Folklife Center. I regard this as a very important responsibility and plan to work intensively with the Board and the Librarian in the development of the Center's mandate. The Librarian, the Secretary of the Smithsonian Institution and I have already had two productive meetings on the subject of the Center, and we have referred to the Library a number of inquiries and suggestions about the appointment of the Center's Board.

Since the Board for the Center has not yet met and the Executive Director has not been hired, it is not easy to speak specifically about implementation of programming by the Center. But the needs of the field of folklife are many and varied, and there is ample room for the development of coordinated, complementary programs among all the federal agencies concerned with aspects of American folklife traditions. We welcome and look forward to the opportunity to participate in that development.

#### SUBCOMMITTEE RECESS

Senator STEVENS. Thank you all very much.

The subcommittee stands in recess until Tuesday at 10 a.m., when we will take up the Bureau of Indian Affairs.

[Whereupon, at 12:15 p.m., Wednesday, March 3, the subcommittee was recessed to reconvene at 10 a.m., Tuesday, March 9.]



**DEPARTMENT OF THE INTERIOR AND RELATED  
AGENCIES APPROPRIATIONS FOR FISCAL YEAR  
1977**

TUESDAY, MARCH 9, 1976

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, Hatfield, and Stevens.  
Also present: Senator Abourezk.

**DEPARTMENT OF THE INTERIOR**

**BUREAU OF INDIAN AFFAIRS**

**STATEMENT OF MORRIS THOMPSON, COMMISSIONER OF INDIAN  
AFFAIRS,**

**ACCOMPANIED BY:**

**HARLEY FRANKEL, DEPUTY COMMISSIONER OF INDIAN AF-  
FAIRS**

**JOSE A. ZUNI, DIRECTOR, ADMINISTRATION**

**DANIEL D. McDONALD, DIRECTOR, TRIBAL RESOURCES  
DEVELOPMENT**

**MARTIN E. SENECA, JR., DIRECTOR, TRUST RESPONSIBILITIES**

**THEODORE C. KRENZKE, DIRECTOR, INDIAN SERVICES**

**DAVE WARREN, ACTING DIRECTOR, INDIAN EDUCATION PRO-  
GRAMS**

**WILLIAM C. SEARCY, DIVISION OF PROGRAM DEVELOPMENT  
AND IMPLEMENTATION**

**FRANCIS M. WILES, DIRECTOR OF BUDGET, DEPARTMENT OF  
THE INTERIOR**

**BUDGET REQUEST**

Senator MONTOKA. The subcommittee will be in order.

We will go now to the Bureau of Indian Affairs, which has a fiscal 1977 budget request of \$751.3 million. That is an increase of \$17.3 million over appropriations to date for the current year. The justifications are in part 2 of the hearing record.

Commissioner Thompson, welcome back to this committee. If you will be good enough to introduce those with you at the witness table,

you may proceed to highlight your opening statement. The full prepared statement will go into the record if there are no objections.  
[The statement follows:]

Mister Chairman:

It is with pleasure that I appear before this Committee to discuss with you the Fiscal Year 1977 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 for their cause.

The President has indicated that his Fiscal Year 1977 budget meets the test of responsible fiscal policy. The Bureau of Indian Affairs portion of that budget seeks to meet the highest priority needs within the fiscal limits that a responsible fiscal policy requires. To assist us in developing those priorities, we have gone to the Indian tribes and asked them to make hard choices among programs. Over half of the funding requests in this budget reflect those priority decisions. Allocations of appropriated funds to the local level for these programs will be based on the priorities established. This participation in the budget process by tribal leaders is of great importance in the concept of self-determination.

In reference to self-determination, I would like to mention that Public Law 93-638 has been widely acclaimed as a major milestone in Indian legislation. With its passage the special relationship between the Federal Government and Indian tribes has been reaffirmed and new emphasis placed on giving Indian people the opportunity to plan, conduct and administer the federal programs created for their benefit. In enacting this legislation, the Congress recognized that many, if not most, Indian tribes lack the resources and experience to immediately assume the new opportunities and responsibilities afforded them. Thus, Section 104(a) authorized the Secretary of the Interior to make grants to the tribes for the purposes of strengthening and improving their government, enhancing their ability to contract, and enabling them by other means to plan, monitor and direct the Federal programs. I am pleased to announce that as of December 4, 1975 the regulations implementing this legislation have been finalized and put into effect. Our request for Fiscal Year 1977 includes \$32.9 million for self-determination services under P.L. 93-638. These will be covered more specifically later in our discussions.

#### INDIAN INVOLVEMENT

Last year I reported that for the first time we were 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. For Fiscal Year 1977 we have already made distribution to the field of the breakdown by location of the FY 1977 Budget Estimates and at this point in time we are putting into final format for distribution the budget request now before you. In addition, the tribes will be informed as to the separate House and Senate reports on appropriations. Upon the enactment of the 1977 Appropriation Act, an adjusted breakdown by locations will be disseminated.

We are requesting in the Fiscal Year 1977 appropriations in the amount of \$759 million; a net decrease of \$17 million over Fiscal Year 1976. Although in total the request is down from 1976, increases are included in most of our programs except in Construction, the Alaska Native Fund and the Revolving Fund.

#### INDIAN EDUCATION

In Fiscal Year 1977, \$243.8 million is requested for Indian education.

These funds will provide for 1,100 students in new facilities who are not now being served by the Bureau, including nine new kindergarten classrooms.

During 1977, scholarship grants will be provided for approximately 17,000 Indian men and women. Higher education financial assistance is planned to be used for supplemental needs. Bureau policy mandates that other sources of funding be explored before Bureau assistance is applied. Basic Educational Opportunity Grants from USOE have become a major source of other than BIA assistance for Indian college students. It is anticipated that all eligible Indian students will be recipients of funds from this source. Provision is also made in this budget for 7,123 Indian people to attain a skill and obtain reasonable and satisfactory employment, thereby affecting the unemployment rate and average per capita income.

I am encouraged with our Education programs, the involvement of the Indian communities, and especially proud of the growing interest our young people are displaying toward obtaining a better education.

#### INDIAN SERVICES

Our major emphasis in the Indian Services areas for 1977 will be on the self-determination services programs. We are requesting \$17.2 million for grants to tribal government. As we mentioned before, these grants are for the purposes of strengthening and improving their government and enhancing their ability to contract and direct the Federal programs.

Training and technical assistance to both the tribes and Bureau employees will require \$4.6 million. The proposed budget also calls for \$11.2 million of contract support, which will offset tribal overhead costs resulting from contracting for the operation of Bureau programs.

The proposal of \$71.9 million for Fiscal Year 1977 for social services represents an increase of \$5.9 million over Fiscal Year 1976. This increase is necessitated by increased unit costs in general assistance and child welfare. The general assistance caseload is estimated at 68,000 persons per month and child welfare to be about 3,300 children per month.

The Bureau Housing Program for FY 1977 will provide for approximately 400 new houses and more than 2,500 renovations. The bulk of the 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

In FY 1977 we will continue to press for more and better jobs and income opportunities for the Indian people. Along with this effort we are attempting to make our job training and placement programs more effective. Significant increases are requested for programs to conserve, develop and effectively utilize land, water, and forest and mineral resources. The Indian Business Development Program, authorized by the Indian Financing Act of 1974, has been singularly effective in stimulating business development on reservations. We are requesting \$3.5 million for this program, the same amount as was appropriated for 1976, and note that this is the last of the three years for which funding for this program is authorized.

We are operating pilot career development centers at Tuba City and Shiprock on the Navajo Reservation. The goal is to develop a coordinated one-stop counseling and processing service in all phases of higher education, vaca-

tional training and job placement. The result of these career centers has been favorable and we are presently planning to institute additional centers Bureau-wide. The requested \$1.2 million increase for roads maintenance reflects the very high priority that tribes have given to this program. We are expecting crop production this year on the first 9,000 acres of the Navajo Indian Irrigation Project. Our request includes \$2.4 million to complete the on-farm development work on the second block of this project.

#### TRUST RESPONSIBILITIES

We are requesting \$2.7 million more for programs designed to meet the Government's trust responsibilities. Intensifying demands for goods and services derived from land and water resources, along with a diminishing supply of quality resources, require added efforts to protect Indians' rights in their resources, to deal with environmental issues, and to provide essential appraisal, leasing and other real property services. Of the total increase, \$1.9 million is for rights protection work, partly reflecting a shifting of funds from the Indian Services account to this account for work required to implement the Boldt decision in the State of Washington. An additional \$803,000 is requested to strengthen real estate appraisal and services. Further to provide investment and other financial trust services for the \$542 million of Indian monies invested as of June 30, 1975 and for about 145,000 accounts being serviced.

#### CONSTRUCTION PROGRAMS

Water delivery schedules on the Navajo Indian Irrigation Project will require \$22 million of new construction funds in FY 1977 -- a decrease of \$800,000 from the 1976 appropriation. Funding for other Indian irrigation construction is being requested at the 1976 level of \$7.6 million. The new funds, along with an anticipated carryover of \$5 million will provide for an orderly continuation of the program.

Our Buildings and Utilities Construction program is estimated at \$44.1 million in 1977, of which \$27.4 is carryover from the Transition Quarter and a request for \$16.7 million of new authority. Included in our request is \$252,000 to complete the Chevak Elementary Day School in Alaska. As you recall this school was destroyed by fire in 1972 and we have been using temporary facilities in order to continue the educational program.

In our Road Construction program we are proposing a \$68.5 million obligation program, an increase of \$1.8 million over 1976. We are requesting a cash appropriation of \$74 million to liquidate obligations incurred, partly under previous contract authorization. The proposed obligation program will support our long range objective of improving to current standards all arterial roads and community streets and at least one-half of the local roads.

#### LOAN PROGRAMS

The authorization for the Indian Revolving Loan Fund was increased by \$50 million by the Indian Financing Act of 1974. To date, \$41 million of the increased authorization has been appropriated. Cash balances estimated at \$6.1 million at the start of the 1977 Fiscal Year, along with estimated collections of \$8.2 million, will provide over \$14 million to meet the new loan demands on this fund.

The Indian Loan Guarantee and Insurance Fund was established by the 1974 Act. In the face of tight money markets, it took us about a year to get this new program underway. We are now experiencing very sharp interest in the program. A number of loans have been made recently. Current action indicates we will need the full authorized resources of the fund to meet demands, and we are requesting that the full \$20 million authorization be appropriated. Again, we note that the authorization for appropriations for this fund expires with the 1977 Fiscal Year.

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 Martin Seneca, the Director of Trust Responsibilities. On his immediate right is Ted Krenzke, the Director of Indian Services. On Mr. Krenzke's right is Jose Zuni, the Director of Administration.

On my immediate left is Mr. William Searcy of the Budget Office. On my immediate right is Deputy Commissioner, Harley Frankel. On his right is Dave Warren, Acting Director of Indian Education. On the far right is Dan McDonald, Director of the Tribal Resources Development.

Mr. Chairman, in light of the committee's time I will summarize my statement as opposed to reading it, and as you indicated, will enclose the full statement in the record.

We are requesting \$759 million of appropriated money to meet the administration's commitment to the Indian community. That budget by and large is an increase in all of the program areas over the 1976 budget with a slight decrease in construction activity as relates to school construction.

#### SELF-DETERMINATION ACT

We have also requested from the administration and from Congress sufficient monies in new funds to properly implement the new Indian Self-Determination Act. Approximately \$32 million we are requesting in 1977 to implement Public Law 93-638, which has been widely heralded in the Indian community as a milestone piece of legislation on Federal and Indian relations.

This year again we sought maximum Indian involvement in the development of the budget at the agency level with a series of meetings that lasted in various places up to a week to discuss budget priorities.

#### EDUCATION

Our largest budget item again for fiscal year 1977 is that of Indian education. Through public school construction we will allow 1,300 students to attend schools closer to home this year. Some 17,000 students will have scholarship opportunity through the Bureau scholarship program to attend the institution of higher learning of their choice. Again, an increase in this program and increasing the number of students attending graduate and undergraduate school.

## INDIAN SERVICES

In Indian services our major effort, as I indicated, is to implement with a \$32 million increase in our budget the Indian Self-Determination Act that was passed. We have increases in our child welfare and our social services program, as well as a slight increase in housing activity.

## TRIBAL RESOURCES DEVELOPMENT

In tribal resources development fiscal year 1977 means a continuation of the Indian Financing Act, which I think has gone a long way in meeting and combating some of the economic ills that exist on Indian reservations. This is the third year of funding under the act.

Both Congress and the administration, I think, have almost fully funded this important piece of legislation. We look forward to attaining proper reverence with Congress and the Indian community in seeing that the act is properly carried out.

## TRUST RESPONSIBILITIES

We are requesting in the 1977 budget \$2.7 million more for programs designed to meet the Government's trust responsibilities, an area that we have given quite a lot of highlight to over the last couple of years through actions that we have taken for and on behalf of the Indian community.

As I indicated, in coming up with the 1977 budget, the construction activity for 1977 meets basic emergency construction needs of the Indian community.

## CONSTRUCTION REQUEST

Senator MONTROYA. How does it compare with the current fiscal year's construction budget?

Commissioner THOMPSON. There is an approximate \$13 million reduction in budget outlays, I believe, over last year.

Senator MONTROYA. What are you using this construction money for?

Commissioner THOMPSON. Primarily for emergency construction needs to replace facilities that were lost in the last fiscal year through fire. We have a listing that I will be pleased to submit for the record.

[The information follows:]

The following is the list of facilities that were lost through fire: Chevak Elementary Day School, Alaska; Jemez Elementary Day School, New Mexico; and Mekoryuk Elementary Day School, Alaska.

Commissioner THOMPSON. We have construction related activities in the amount of \$16,663,000. This includes construction activities in day schools in Chevak, Alakanuk, Jemez, Mekoryuk, and Pine Ridge, Navajo irrigation, sewage collection, water exploration and development facilities improvement, and technical assistance for the new money, plus the carryover obligations we have.

Senator MONTROYA. What are you going to build at the elementary day school?

Commissioner THOMPSON. That is to replace a day school, Senator, which was destroyed by fire.

Senator MONTROYA. Is that the barracks?

Commissioner THOMPSON. I believe it was the school plant itself.

Mr. WARREN. That is correct. This is itemized on page IA68, Senator.

Commissioner THOMPSON. Basically, Senator, it is a new facility planned for 180 pupils. It includes general instruction space, a learning resource center, art room, music room, gymnasium, cafeteria, administrative unit, and plant management shop, for a total of \$2,420,000.

Senator MONTROYA. I was thinking of the Jemez High School which I inserted as a line item to build without budget approval a few years ago. I thought this was it. I was wondering. I had not heard of that building being burned down, because I visit it all the time.

Commissioner THOMPSON. No, this is the grade school that will complement that facility.

#### SAN FELIPE SCHOOL

Senator MONTROYA. What about the San Felipe school? I have been very concerned about the BIA not including that in its building program.

Commissioner THOMPSON. We have, Senator, San Felipe on our construction priority listing.

Senator MONTROYA. I know, but it is way down. We will not get to it until the year 2000.

Commissioner THOMPSON. I believe it is currently rated about No. 9, Senator. This year, with the constrained budget that we have overall, we are getting down to priority No. 4 or 5, I believe, in the administration request we have pending before you.

Senator MONTROYA. So when do you think we will reach it?

Commissioner THOMPSON. It depends on the budget outlook for next year, Senator, but if it is up to No. 9 this year, it will move up to 4 or 5 next year, if we do not have any more disaster losses through fire and so forth.

We had an unusual year last year. I believe we lost four facilities to fires.

Senator MONTROYA. Why are there so many fires?

Commissioner THOMPSON. Most of these took place in very remote areas. In Alaska we had two fires where there is just no ability to respond with any decent fire equipment after a major fire gets started.

Senator MONTROYA. Are they old buildings?

Commissioner THOMPSON. We lost Chevak about 2 years ago. That was about 8 to 10 years old, I believe, at the time. And we lost Mekoryuk last year, which was about 10 years old.

Senator MONTROYA. Most of these schools are very old, aren't they?

Commissioner THOMPSON. The majority of them are. Through added appropriations we have been building some exemplary facilities, but we still have a very large backlog in school construction.

#### SCHOOL CONSTRUCTION PRIORITIES

Senator MONTROYA. Have you ever thought of the idea of trying to work out a blueprint for construction in the future and replace these old buildings instead of going with the helter-skelter type of approach?

Commissioner THOMPSON. One of the things we are contemplating doing, Senator, is looking at the total backlog of school construction needs for the Bureau. We have done that, and have a priority listing.

Also, because of Public Law 93-638, we must now look at the backlog of school construction in public schools where there are Indian children. So both of these come up to about a \$900 million construction backlog.

With that huge backlog, we feel that a program should be identified, as you suggest, to allow meeting some of the construction needs that exist. Otherwise we are going to be in a situation of just replacement and never catching up. So we are looking toward some program that will bring the backlog up to date more quickly.

#### PUBLIC SCHOOL SYSTEM

Senator MONTROYA. What about a program for having the Government build some public buildings in public school complexes where the Indians are attending school like we have in New Mexico? We have an integrated system in many of the areas of New Mexico. Have you ever thought of that?

Commissioner THOMPSON. We have, of course, the policy that exists in Indian education where there are public schools available for Indian youngsters to attend. They will have the option of going there. We will construct to minimize duplication. That policy is currently in effect.

We would consider, and of course be receptive to, EDA types of development to get, not a visitor's center, but maybe a community center that could be utilized to substitute for the day school. That might be an option we have not fully explored.

Senator MONTROYA. Why have EDA do it? Why not have BIA do it?

Commissioner THOMPSON. We will look at developing this plan. We may want to look at it since there is such a tremendously large backlog. We may want to look at other Federal resources as well.

Senator MONTROYA. We did this in my county in New Mexico where we took the Indians into the public schools there, in Sandoval County. That is Bernalillo, Santo Domingo and Cochiti. With Federal funds we built the school at Santo Domingo, which is under the jurisdiction of the board of education of that district. The school in Cochiti is also under the public school system. It serves mostly Indians. They have a local autonomy there. They run the janitorial service, they run the kitchen, the cafeteria, and we do have some Indian teachers there also. That is working very well. It is working very well in that area.

We have the same thing in the grants area with respect to the Lagunas and the Acomas.

I think it is cheaper for the BIA to do this where it can do it than to just build an Indian school or wait until the budget bureau, OMB, allows you to put in some funding for the construction of new buildings under BIA jurisdiction.

I think this other way is the economical way. And I have always felt that if you integrate the Indians or any other group into a school system that is already existent, those children are going to benefit

more than to have strictly a school system just for them where they do not intermix with the culture of others.

PUBLIC LAW 815

Commissioner. THOMPSON. Senator, I would be in favor of that. As I indicated, Public Law 815 was to grant monies to HEW, who would in turn make loans to public schools, or grants to public schools to build facilities out of appropriated monies for Indian youngsters who attend them.

Senator MONTROYA. Yes, but let's go to 815. If you will check the progress that we have made under 815, San Felipe's day school looks pretty good in priority compared to the applications under 815. You know that. They are stacked up this high with applications—I mean from the floor.

They have a rule over there that they are not going to—that the priority is by application date. They are not going to get to those priorities for Indian schools at all, and the funding is very limited for 815.

Commissioner THOMPSON. We have added——

Senator MONTROYA. They have been deferring the funds we have put in. I happen to sit on another committee that deals with 815, the Subcommittee on HEW Appropriations. So I know what that game is.

Commissioner THOMPSON. Senator, under Public Law 638 we in the Bureau now have joint obligations with 815 with the Department of HEW, and now the Department of Interior as well has the authority to fund against that, or appropriate against that 815 backlog.

So hopefully with both of us working at it, it might come down somewhat.

PUBLIC LAW 638 CONSTRUCTION DEFERRAL

Senator MONTROYA. Those are the funds that the Interior Department has been deferring, is that not correct?

Commissioner THOMPSON. We just recently got that authority. This is the first year we are operating under that authority.

Senator MONTROYA. How much in funds have you allocated for construction this year?

Commissioner THOMPSON. Under the first year—the Senator is correct. This first year that we got the authority we deferred for 1976, and we have not requested money in 1977 for one very solvent reason. We have——

Senator MONTROYA. But how much have you allocated for this year under the authority?

Commissioner THOMPSON. To implement the new authority that we have under 638?

Senator MONTROYA. In the current fiscal year, in 1976.

Commissioner THOMPSON. We deferred \$10.7, about \$10.7 million.

Senator MONTROYA. So you have not allocated anything?

Commissioner THOMPSON. That is correct.

Senator MONTROYA. What good is it to have it there?

Commissioner THOMPSON. Senator, for one reason we sought a deferral in 1976 and have not requested money in 1977 as indicated. It is fairly new authority to the Bureau.

We have two construction programs. One is a program with a set of criteria to construct on Indian reservations. We have now been given new authority under different criteria to construct on nonreservation communities. We want to insure basically that we are operating under generally the same criteria for all of our construction activities. That is the only reason we are deferring. It is not that we do not see how there is a backlog and there is a need, but we want to take some time until June this year to come up with some recommendations to HEW and the Interior on a construction method procedure.

Senator MONTROYA. Don't you have quite a few things in the pipeline already in the way of need?

Commissioner THOMPSON. Yes, we do.

Senator MONTROYA. And blueprints?

Commissioner THOMPSON. Yes, we do.

Senator MONTROYA. And planning and design? Why can't you spend this money this year and ask for more next year? We are getting behind all the time.

#### BUDGET CONSTRAINT

Commissioner THOMPSON. What we requested in the 1977 budget, as I indicated, about \$16 million for construction of emergency items.

Senator, to answer your question correctly, I would say after, or within the total allocation that we indicated, we increased all of our program, our major program areas. We enjoyed increases in the budget, and it was felt that this amount of money could be allocated to construction.

It was a very conscious decision because of the constrained budget.

Senator MONTROYA. Now is not the time to talk about—every time we talk about austerity, the Indians get it in the neck. That has happened all the time.

We got hospitals by defying OMB. You know that. We just put the funding in there in spite of OMB.

And I am not against BIA. I know you are sympathetic with the needs. But you have always had your snagging at the departmental level, and you have two more snags at OMB. By the time OMB gets through with you, you are Mr. Austerity when you come before this committee, and you have to wear that cap reluctantly, I know.

But we are not constrained when we have to make a choice between austerity and the very dire need that the Indians have for better school facilities, better hospitals and better health facilities.

I have been very concerned since I have served on this committee about the attitude of OMB, the cold-blooded attitude toward Indian needs in this country. I just hope that you can initiate some construction before the fiscal year is out with the money that you have reserved.

I am going to try to ask this committee to increase some of the funding for Indian education and for construction. This committee has been very sympathetic, as you know.

Commissioner THOMPSON. It has.

Senator MONTROYA. We have increased the appropriations beyond OMB budget estimates submitted to this committee.

## EFFECT OF DENYING DEFERRAL REQUEST

Your construction justifications are apparently based on the deferral of the \$10.8 million that has been appropriated to date for public school construction grants. Since the Senate apparently is about to overturn that deferral, please submit for the record a revision of your affected tables and statements.

Commissioner THOMPSON. Our revised tables and statements for construction justifications are being submitted for the record.

[The information follows:]

DEPARTMENT OF THE INTERIOR  
BUREAU OF INDIAN AFFAIRS

Construction

Appropriation 1976.....	\$ 73,922,000
Unobligated balance from prior year.....	<u>44,188,222</u>
Total available for obligation.....	118,110,222
<b>Decreases:</b>	
Buildings and utilities.....	\$ 82,373,123
Irrigation systems.....	35,736,466
Land acquisition.....	<u>633</u>
Subtotal.....	<u>118,110,222</u>
<b>Increases:</b>	
Buildings and utilities.....	44,140,534
Irrigation systems.....	<u>34,501,466</u>
Total available for obligation.....	<u>78,742,000</u>
Less: Unobligated balance from T.Q. 1976.....	<u>- 32,479,000</u>
Budget Estimate 1977.....	<u>46,263,000</u>

(Revised 3/30/76)

## BUREAU OF INDIAN AFFAIRS

## Construction

## Analysis by Activities

Activity	Amount Available 1976	Fiscal Year 1977		Budget Estimate	Total available 1977 compared to Total available 1976
		Estimated Total Available	Less Unobligated balance from T.O.		
1. Buildings and Utilities..	\$ 82,373,123	\$ 44,140,534	\$ 27,477,534	\$ 16,663,000	- \$38,232,589
2. Irrigation systems.....	35,736,466	34,601,466	5,001,466	29,600,000	- 1,135,000
3. Land acquisition.....	633	---	---	---	- 633
	<u>118,110,222</u>	<u>78,742,000</u>	<u>32,479,000</u>	<u>46,263,000</u>	<u>- 39,368,222</u>

(Revised 3/30/76)

## ITEMIZATION OF ESTIMATE

DEPARTMENT OF THE INTERIOR

APPROPRIATION TITLE: Construction

Bureau of Indian Affairs

	Actual 1975	Estimate 1976	Estimate T.Q.	Estimate 1977	Increase (+) Decrease (-)
<u>Program and Financing</u>					
Total obligations...	\$56,420,091	\$85,631,222	\$13,550,000	\$78,742,000	\$-6,889,222
Unobligated balance available, start of year.....	-35,804,313	-44,188,222	-32,479,000	-32,479,000	+ 11,709,222
Unobligated balance available, end of year.....	44,188,222	32,479,000	32,479,000	--	- 32,479,000
Appropriation..	64,804,000	73,922,000	13,550,000	46,263,000	- 27,659,000

Obligations by Object

## BUREAU OF INDIAN AFFAIRS

11.0 Personnel					
Compensation....	5,435,000	5,221,000	1,305,000	5,500,000	+ 279,000
12.1 Personnel benefits..	414,000	400,000	98,000	550,000	+ 150,000
21.0 Travel and transportation of things....	550,000	550,000	150,000	550,000	---
22.0 Transportation of things	312,000	300,000	75,000	300,000	---
23.0 Rent, communication, and utilities..	168,000	250,000	60,000	200,000	- 50,000
24.0 Printing and reproduction....	41,000	50,000	12,000	40,000	- 10,000
25.0 Other services..	10,146,000	8,000,000	800,000	12,000,000	+ 4,000,000
26.0 Supplies and materials	3,539,000	4,000,000	2,000,000	3,000,000	- 1,000,000
31.0 Equipment.	2,487,000	5,000,000	1,200,000	3,500,000	- 1,500,000
32.0 Lands and structures.....	17,315,000	28,178,000	1,725,000	31,102,000	+ 2,924,000
41.0 Grants, subsidies and contributions.	100,000	10,881,000	---	---	- 10,881,000
42.0 Insurance claims & indemnities	1,000	---	---	---	---
Subtotal	40,308,000	62,830,000	7,425,000	56,742,000	- 6,088,000

(Revised 3/30/76)

	Actual 1975	Estimate 1976	Estimate T.Q.	Estimate 1977	Increase (+) Decrease (-)
Quarters and sub- sistence charges	11,000				
Total, Bureau of Indian Affairs....	40,497,000	62,830,000	7,425,000	56,742,000	-6,088,000
ALLOCATION ACCOUNTS					
11.0 Personnel compensation..	2,212,000	2,339,000	824,000	2,538,000 +	199,000
12.1 Personnel benefits....	202,000	233,000	77,000	233,000	---
13.0 Benefits to former per- sonnel.....	9,000	---	---	---	---
21.0 Travel and trans- portation of persons	27,000	33,000	9,000	33,000	---
22.0 Transportation of things.....	93,000	105,000	11,000	105,000	---
23.0 Rent, communica- tion and utilities....	79,000	79,000	20,000	79,000	---
24.0 Printing and reproduction..	15,000	18,000	5,000	18,000	---
25.0 Other services	249,000	250,000	45,000	250,000	---
26.0 Supplies and materials.....	35,000	37,000	10,000	37,000	---
31.0 Equipment.....	32,000	21,000	6,000	21,000	---
32.0 Lands and structures...	12,970,091	19,686,222	5,118,000	18,686,000	- 1,000,222
Allocation Accounts.....	15,923,091	22,801,222	6,125,000	22,000,000	- 801,222
99.0 Total obligations	56,420,091	85,631,222	13,550,000	78,742,000	-6,889,222

Senator MONTOYA. Would you anticipate any difficulty in obligating the public school construction grants in the current fiscal year?

Commissioner THOMPSON. It is anticipated that the \$10.8 million for public school construction grants could be obligated by September 30, 1976.

#### HEW SCHOOL CONSTRUCTION PRIORITIES

Senator MONTOYA. Please submit for the record the current HEW priority list for school construction grants and give us your recommendation for revising the committee's allocation of the \$10.8 million already appropriated.

Commissioner THOMPSON. In relation to the Bureau of Indian Affairs' recommendation for revising the committee's allocation of \$10.8 million already appropriated, the HEW priority list of school construction will be followed to the extent funds are available.

The current HEW priority list for school construction grants is being submitted.

[The information follows:]

ORDER OF PRIORITY INDICES AND FUNDS NEEDED  
SUBSECTION 14(a) and 14(b)

Project Number	Applicant	Priority		Initial Estimate of Funds Needed	
		Tent.	Firm	Tent.	Firm
AZ 75-C-16	Parker S.D. #27 (Waiver)		200.0		2,022,955
MT 76-C-405	Heart Butte E.S.D.		199.0		2,307,000
AZ 74-C-413	Alchesay H.S.D.		197.8		5,066,415*
MT 75-C-5002	Fryor H.S.D. No. 3		192.7		2,294,471
MT 75-C-4001	Blaine Co. H.S. #50 (Hays)		190.8		1,458,333
MT 75-C-15	Blaine Co. E.S.D. #50 (Hays) (W)		176.3		3,041,660
MT 75-C-404	Lodge Grass E.S.D. #27	147.1 T			1,379,610
UT 76-C-2	San Juan Co. S.D. (Waiver #1)	144.8 T			3,042,000
AK 76-C-6001	North Slope Borough Schools, Barrow	137.3 T			10,000,000
SD 76-C-404	Shannon Co. I.S.D. #1	123.8 T			1,253,100
UT 76-C-2	San Juan Co. S.D. (Waiver #2)	122.9 T			1,865,000
MT 75-C-1203	H.S.D. "G", Box Elder	120.4 T			1,600,000
AK 75-C-5001	Galena City S.D.	113.2 T			1,000,000
AK 75-C-5003	Dillingham City S.D.	107.5 T			2,500,000

\*Revised Estimate

ORDER OF PRIORITY INDICES AND FUNDS NEEDED  
SUBSECTION 14(a) and 14(b)

Project Number	Applicant	Priority		Initial Estimate of Funds Needed	
		Tent.	Firm	Tent.	Firm
MT 75-C-5001	Frazer H.S.D. #28		106.6		1,639,539
AK 76-C-1102	Hydaburg Public Schools	104.7	T	4,685,868	
MT 75-C-17	Frazer E.S.D. #2		104.4		472,024
MT-76-C-5001	E.S.D. #28, St. Ignatius		102.1		1,139,377
MT 75-C-406	E.S.D. #9, Poplar		98.7		3,725,000
AZ 73-C-607	Kayenta E.S.D. #27		96.0		2,304,000
NM 75-C-802	Magdalena Muni. S.D.	93.1	T	150,000	
AZ 76-C-516	Window Rock S.D. #8		88.5		42,631,000
WA 76-C-512	Inchelium S.D. #70	88.1	T	1,750,000	
NM 73-C-402	Gallup-McKinley (Navajo Waiver)		85.8		910,000
AZ 76-C-1001	Apache Co. S.D. #19 Gando		82.4		6,890,000
AZ 74-C-517	Indian Oasis S.D.		80.3		5,748,749
AK 75-C-5002	Craig City S.D.	79.2	T	1,850,000	

ORDER OF PRIORITY INDICES AND FUNDS NEEDED  
SUBSECTION 14(a) and 14(b)

Project Number	Applicant	Priority		Initial Estimate of Funds Needed	
		Tent.	Firm	Tent.	Firm
MI 69-C-403	I.S.D. #707, Nett Lake		78.9		89,500
AZ 76-C-404	Chinle S.D. #24		76.2		32,569,092
AZ 73-C-16	Yuma S.D. #27, Parker		70.4		1,524,624
AZ 76-C-607	Kayenta S.D. #27	69.0	T	5,249,000	
WA 72-C-403	Taholah S.D. #77 (1971)		67.9		773,835
NM 73-C-402	Gallup-McKinley (Crown Pt. Waiver)		62.2		1,470,000
AZ 71-C-805	Union E.S.D. #62		61.6		117,000
NM 75-C-512	Jemez Springs Muni. S.D.	56.0	T	1,550,000	
OK 75-C-5002	Oaks Mission S.D.	55.7	T	200,000	
SD 74-C-3001	West River I.S.D. #18 (Waiver)		55.6		400,000
MT 73-C-14	Browning E.S.D. #9		51.6		1,092,000
MT 75-C-410	Hardin E.S.D. #17-H		51.4		1,680,000

ORDER OF PRIORITY INDICES AND FUNDS NEEDED  
SUBSECTION 14(a) and 14(b)

Project Number	Applicant	Priority		Initial Estimate of Funds Needed	
		Tent.	Firm	Tent.	Firm
SD 76-C-6002	I.S.D. #3, Harrold	48.0	T	130,000	
AZ 73-C-14	Northern Yuma County U.H.S.D.	45.9		415,600	
MI 71-C-401	Red Lake S.D.	44.0		773,280	
SD 71-C-1801	Waubay I.S.D.	42.8		318,750	
OK 73-C-3001	Pleasant Grove I.S.D. #5	37.4		109,358	
UT 76-C-401	Uintah S.D., Vernal	37.0	T	270,000	
SD 76-C-507	White River I.S.D. #29	36.0	T	2,539,584	
WA 71-C-25	Clallam Co. S.D.	32.2		667,705	
OK 75-C-437	Salina S.D.	31.8	T	238,000	
OK 75-C-601	Little Axe S.D.	30.3	T	130,000	
MI 70-C-1801	Harlem H.S.D.	29.6		159,712	
NM 75-C-411	Tularose Muni. S.D.	29.5	T	2,350,000	

ORDER OF PRIORITY INDICES AND FUNDS NEEDED  
SUBSECTION 14(a) and 14(b)

Project Number	Applicant	Priority		Initial Estimate of Funds Needed	
		Tent.	Firm	Tent.	Firm
ND 76-C-6001	Eight Mile S.D. #6, Trenton	27.0	T	800,000	
MT 76-C-7	E.S.D. #30, Ronan	26.2	T	1,176,000	
NM 75-C-412	Bloomfield Muni. S.D.	26.2	T	872,000	
OK 76-C-1103	Pocola I.S.D. #7	24.2	T	365,750	
SD 76-C-6001	Lyman Co. S.D. #12				950,000
NM 75-C-603	Los Lunas Cons. S.D.	22.2	T	475,000	
MT 75-C-14	Browning E.S.D. #9	19.1	T	7,753,480	
KS 70-C-1802	Mayetta S.D.				130,000
MN 75-C-5001	I.S.D. #435, Waubun	18.1	T	30,000	
MI 75-C-5001	Bark River-Harris S.D.	15.9	T	250,000	
AZ 74-C-702	Tuba City H.S.D.				1,168,000
IA 69-C-1701	C.S.D., S. Tama County				219,800
WA 71-C-44	Wapato S.D. #207				456,750
UT 72-C-401	Uintah S.D.				916,000

ORDER OF PRIORITY INDICES AND FUNDS NEEDED  
SUBSECTION 14(a) and 14(b)

Project Number	Applicant	Priority		Initial Estimate of Funds Needed	
		Tent.	Firm	Tent.	Firm
OR 70-C-13	Jefferson Co. S.D.		13.1		226,000
MI 75-C-401	I.S.D. #38, Red Lake	12.9	T	3,227,600	
OR 76-C-13	Jefferson Co. S.D. #509C	12.2	T	281,000	
NM 75-C-9	Pojoaque Valley I.S.D.	12.1	T	634,653	
CA 71-C-619	Bishop Union S.D.		12.0		102,690
NM 75-C-4	Espanola Mini. S.D.	11.5	T	475,000	
OK 75-C-5001	Falls S.D. #31	11.1	T	130,000	
AZ 72-C-414	Tuba City E.S.D. (1971)		10.8		1,638,750
NM 75-C-602	Taos Muni S.D. #1	9.8	T	1,038,300	
NM 73-C-402	Gallup-McKinley (W. Tse LeeBonito)		8.0		262,500
MI 75-C-403	I.S.D. #707, Nett Lake	7.9	T	1,426,000	
MT 71-C-7	Ronan S.D.		2.4		1,400,000

ORDER OF PRIORITY INDICES AND FUNDS NEEDED  
SUBSECTION 14(a) and 14(b)

Project Number	Applicant	Priority		Initial Estimate of Funds Needed	
		Tent.	Firm	Tent.	Firm
NM 73-C-402	Gallup-McKinley (Waiver) (Zuni & Towa Yallane)		1.8		70,000
ID 73-C-5	Blackfoot S.D. #55		1.4		440,000

(0) ZERO PRIORITY APPLICATIONS--SUBPRIORITY ORDER ( ) DENOTES SUBPRIORITY

AK 76-C-1601	Yakutat City S.D.	(100.0)T		1,250,000
WA 76-C-403	Taholah S.D. #77	(89.9)T		2,388,195
WA 75-C-67	LaConner S.D. #311	(78.7)T		525,000
WY 69-C-403	Mill Creek S.D. #14	(75.5)T		42,000
NM 75-C-401	I.S.D. #22, Kirtland	(58.1)T		4,168,000
WA 72-C-1902	Mt. Adams S.D.	(53.2)		450,000
WA 76-C-1902	Mt. Adams S.D. #209, White Swan	(48.5)T		409,550
NV 69-C-701	Elko Co. S.D.	(43.7)		107,000
WA 72-C-512	Inchelium S.D.	(40.2)		49,506
NM 75-C-513	Cuba I.S.D.	(28.8)T		1,000,000
SD 76-C-701	McLaughlin I.S.D. #21	(25.8)T		223,630
ND 74-C-503	New Town Pub. S.D. #1	(22.4)		163,761

ORDER OF PRIORITY INDICES AND FUNDS NEEDED  
SUBSECTION 14(a) and 14(b)

Project No.	Applicant	Priority	Initial Estimate of Funds Needed
NM 75-C-407	Bernalillo Mun. S.D.	(20.3)T	\$158,500
MT 73-C-3002	H.S.D. #28, St. Ignatius	(13.8)	\$592,240
MI 75-C-2001	Watersmeet Township S.D.	(13.6)T	\$122,500
MT 69-C-8	Harlem E.S.D. #12	( 9.3)	\$210,000
NM 69-C-406	Grants Mun. S.D.	( 7.9)	\$783,264
WA 70-C-67	LaConner S.D. #311	( 7.0)	\$ 91,440
ID 75-C-5	Blackfoot S.D. #55	( 6.2)T	\$650,000
WA 70-C-56	Marysville S.D.	( 2.8)	\$286,900
CA 71-C-530	San Pasqual Valley U.S.D.	( 0.6)	\$200,000
NV 69-C-404	Humboldt Co. S.D.	( 0.0)	\$231,000

## Section 14 Priority Listing - TENTATIVELY INELIGIBLE

Project No.	Applicant	Priority	Amount Requested
NM 75-C-5002	Fine Point Experimental School	I	\$ 450,000
MT 75-C-18	E.S.D. #22, Elmo	I	\$ 675,000
MT 75-C-1601	Lodge Grass H.S.D. #2	I	\$ ?
NM 75-C-406	Grants Mun. S.D.	I	\$ 697,842
NM 75-C-409	Dulce I.S.D.	I	\$1,036,000
SD 75-C-407	Smee I.S.D. #4, Wakpala	I	\$ 885,000

## LAGUNA SCHOOL FACILITIES

Senator MONTROYA. What about construction of school facilities in, say Laguna?

Commissioner THOMPSON. We have some planning monies available for the Laguna secondary facility—excuse me, planning and design monies, both for the new junior high school at Grants in the process.

Senator MONTROYA. In Grants or in Laguna?

Commissioner THOMPSON. It is in Laguna, but I believe it will serve the students who are going to the Grants public schools. You know, it is a fairly old school there. The Senator had the privilege of visiting it recently. It is a fairly old public school facility. We have worked with Grants and the Laguna people, and have come up with some planning and design money for a new facility.

Senator MONTROYA. Would this be under the jurisdiction of BIA or under the jurisdiction of the Grants school district?

Commissioner THOMPSON. I believe the Laguna people are requesting that it be a Bureau facility. Mr. Carmody might have more information.

Mr. CARMODY. That is right.

Senator MONTROYA. That is what I understood. So that will be built not at Grants, but at Laguna. Is that not right?

Commissioner THOMPSON. It will be physically at Laguna, and it will serve the Laguna and Acoma students.

## CONSTRUCTION OBLIGATIONS

Senator MONTROYA. Overall your budget authority request for construction is down by \$27.6 million but your obligational level actually rises by nearly \$4 million. The result is that your high unobligated balance will be reduced from \$43 million to \$10 million. Isn't that a more realistic level of unobligated carryover?

Commissioner THOMPSON. Yes, sir. It is more realistic level due to the high unobligated balance.

## DEFERRED PROJECTS

Senator MONTROYA. I note, however, that the Department requested more than \$100 million in new budget authority for construction. First, what were the main projects denied by the OMB?

Commissioner THOMPSON. I will submit a summary, Mr. chairman.

[The information follows:]

The projects denied by OMB are as follows:

Public and tribally operated previously private schools .....		\$35,000,000
Lower Brule High School, North Dakota Phase I .....		2,000,000
Little Wound (Kyle) High School, South Dakota .....		4,300,000
Kindergartens and quarters: Mt. Village, Alaska; Tuluksak, Alaska; Seba Dalkai, Arizona; Kaibeto, Arizona; Hicky wan, Arizona; Kohath (Jack Rabbit), Arizona; Nenahnezad, New Mexico; and Taos, New Mexico .....		1,200,000
Planning and design .....		359,000
Albuquerque Indian School New Mexico .....	302,000	
Lower Brule High School (Phase II) South Dakota .....	57,000	
Deferred equipment .....		975,000
Facility improvements, bureau-wide .....		4,700,000
Total .....		48,534,000

Senator MONTROYA. If the departmental request had been approved, what would have been your estimated unobligated balance at the end of fiscal year 1977?

Commissioner THOMPSON. The estimated unobligated balance at the end of fiscal year 1977 is \$24.0 million.

Senator MONTROYA. Aside from congressional changes in your construction program, why was it necessary for you to make such significant changes in your obligation estimates for 1976, including an increase in obligations for more than \$800,000?

Commissioner THOMPSON. The increase of more than \$800,000 in fiscal year 1976 construction program results from the carryover of prior year unobligated balances. Changes in the object class results primarily from a shift to a contract operation rather than the force account method. The decrease in object class 41 results in a decision of the President to defer the obligation of public school grants to future years.

#### INDIAN EDUCATION RESOURCE CENTER

Senator MONTROYA. What about the Indian Education Resource Center in Albuquerque? What happened to the movement in Washington to move that away from Albuquerque again?

Commissioner THOMPSON. Senator, I do not believe that that was the total objective of the review that we have had of our education program. I will give a little background.

We have assigned several staff members, internal people, to do a thorough review of Indian education in preparation for a new director that we have coming on board. Part of that study was directed at a total overall review of Indian education.

The impetus for the study came from several sources. The study was endorsed and recommended by the House Education Committee. Three members recommended part of the overall education review. We had recommendations from the National Congress of American Indians and individual Indian educators that a review be made of Indian education.

We assigned two individuals to this task. They visited the central office, the IERC people in Albuquerque, and looked at organizational placement in some units. There is no final recommendation.

Senator MONTROYA. Who were those individuals?

Commissioner THOMPSON. Leroy Clifford, who serves on my staff in the policy planning office, and Roger Boyd, who also serves on our staff in the policy planning unit. They spent some time in Albuquerque interviewing individual employees looking at the overall objective of IERC, the central office.

It was not a concentration then on IERC. The recommendations will be just that to the new educational director who will have the opportunity of modifying, rejecting, or accepting them. They will then have to come forward and sit down with the Deputy Commissioner and myself and make recommendations on the total education policy.

Senator MONTROYA. Are you aware that most of the people in the education center in Albuquerque feel that they are doing a good and economical job?

Commissioner THOMPSON. We think so as well.

## ALBUQUERQUE PERSONNEL STATUS

Senator MONTROYA. And that Albuquerque is a good location for it?

Commissioner THOMPSON. We think the people at Albuquerque are doing a good job. I think they—if I may, I think they have a lot of anxieties that were raised that the total thrust of the effort was to move all or a portion of IERC, and that is not the thrust at all.

Senator MONTROYA. Many of them bought homes there and established themselves. It is pretty hard to just pack up and move someplace else just because two people from Washington come in there and say, "Let's go."

Commissioner THOMPSON. No, Senator, I want to assure the employees there and yourself that any study, of course, that is done in any organization creates anxieties within that organization. I think this is the situation here.

## IERC REVIEW

Senator MONTROYA. Why does the Bureau feel it is necessary to make a study of its educational organization when as the result of a Bureau study and reorganization as recently as 1973 and 1974 this center was established in Albuquerque.

Commissioner THOMPSON. The center was established in 1973. It was just a review 3 years later of the effectiveness of that major policy decision in 1973.

Senator MONTROYA. In your view, has the Indian Resource Center section of the Central Office of Education been an effective component of the Bureau's overall education effort?

Commissioner THOMPSON. I think it has been an effective component, yes.

Senator MONTROYA. Do you know of any way where it could be improved by additional personnel or expertise?

Commissioner THOMPSON. Senator, this is one of the things that we are looking at, specifically IERC and other components of Indian education. It is a positive effort. We could make effective units more effective either through additional personnel, different locations of personnel, or different staffing patterns. We have unique opportunities indicated, and we are hopeful of having a new director of Indian education very soon. When he comes on board, I want to have the staff review with him some of their findings. And their findings, as you can appreciate, may be accepted. Some of them may not be totally acceptable, on review.

## TRAVEL COSTS

Senator MONTROYA. If there should be a recommendation made to move the center out of Albuquerque, naturally I want to ask for a GAO study of the increment in travel costs that might be occasioned by people travelling all over the Southwest from Washington, and also the moving expenses if personnel are moved from Albuquerque. All of these things will come into play. I asked recently for a study on the travel costs of people who are working in the different areas served by the resource center. I find that in comparison if trips were

made from Washington, that there would be an increase in travel of 27.5 percent, if travel started from Washington.

When time away from the duty center is factored in, the cost of the travel increases by \$122,657. In light of this figure, can the Bureau really afford to move the center from Albuquerque to Washington?

Recently I received letters from educators in three Western States and from Governor Roland E. Johnson, Chairman of the Ten Southern Pueblo Governors, protesting the rumored move of the resource center from Albuquerque.

At this time, I ask that these letters be inserted in the hearing record.

[The letters follow.]

## PUEBLO OF LAGUNA

P.O. BOX 194

LAGUNA, NEW MEXICO 87026

November 19, 1975

Mr. Morris Thompson  
Commissioner of Indian Affairs  
1951 Constitution Ave., NW  
Washington, D. C. 20242

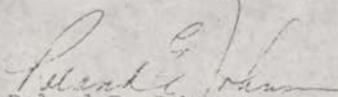
Dear Commissioner Thompson:

The Ten Southern Pueblos Governors, at a meeting on November 14, 1975, unanimously supported retaining the Indian Education Resources Center in Albuquerque, for the following reasons:

1. Services to the Indians have been more effective as a result of the Albuquerque location of IERC.
2. The working relationship between the Indians, the Southwest Indians in particular, in this project is greatly enhanced by this location.
3. It has served as an excellent employment facility for the Pueblos.
4. Travel expenditures are greatly reduced by having this office this close to a more concentrated Indian population.
5. It would eliminate moving costs to keep the office in Albuquerque.

Your careful consideration of the reasons for continuing the IERC location in Albuquerque would be appreciated.

Sincerely yours,



Roland E. Johnson  
Chairman, Ten  
Southern Governors

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STATE OF NEW MEXICO  
DEPARTMENT OF EDUCATION — EDUCATION BUILDING  
SANTA FE 3,87975

The Honorable Mr. Thomas Kleppe  
Secretary of the Interior  
Department of the Interior  
Washington, D.C. 20245

Dear Mr. Secretary:

It is my understanding that some consideration is being given by your office to relocate the Albuquerque Bureau of Indian Affairs office to Washington, D.C.

Be informed that during the past four years, the Division of Special Education personnel has been actively coordinating delivery of services for handicapped children with the Bureau of Indian Affairs. No doubt this has been possible for two reasons: first, the location of the office in the immediate proximity where the majority of Native Americans reside and secondly, because of the willingness and effective management capabilities of Dr. Robert Hall. To relocate this office from its Albuquerque location would only serve to minimize the services to the handicapped Native Americans.

Upon your request, this office will provide you with documentation which will demonstrate the Albuquerque Bureau of Indian Affairs office and the New Mexico State Department of Education's cooperative efforts.

Your consideration regarding this matter is greatly appreciated.

Sincerely,

Elie S. Gutierrez, Director  
Division of Special Education

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## NEVADA DEPARTMENT OF EDUCATION

Carson City, Nevada ~~89700~~ 89710

(c/o Capitol Complex)

November 20, 1975

Mr. Thomas Kleppe  
Secretary, Department of Interior  
19th and Virginia Streets, N. W.  
Washington, D. C. 20242

Dear Mr. Kleppe:

During a recent visit to a regional meeting I was disturbed to hear that the B.I.A. was seriously considering moving the Indian Educational Resource Center from Albuquerque to Washington, D. C.

It is my understanding that a large majority of those Native Americans served by that Center are within three hours travel of Albuquerque. If this is the case, I can't understand the reasoning for such a move. The increase in travel and per diem costs coupled with the excessive travel time involved (if the Center was to be headquartered in Washington, D. C.) would seem to indicate that such an act would not stand the test of fiscal accountability.

The availability and flexibility of programs and services provided by the Center as it is now located should not be changed unless it will positively effect those programs.

Sincerely,



David Willard  
Consultant

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Dr. Judy Ann Buffmire  
765 East 4255 South  
Salt Lake City, Utah 84107

Thomas Kleppe  
Secretary, Department of Interior  
19th and Virginia, NW  
Washington, D. C. 20202

Dear Secretary Kleppe:

It has come to my attention that currently there is some consideration of moving the BIA Albuquerque Central Office back to Washington, D. C. I would like to express my strong negative reaction to this proposed consideration. I have found that many Native Americans across our nation still have a negative perception of the BIA. The geographic separation of the Albuquerque office from Washington, and the face to face contact with many of the tribal representatives on a day-by-day basis is helping to erase this barrier.

Even though BIA has schools in seventeen states, Albuquerque is central to many of the major tribes, and within easy access of most others. Also, the location in Albuquerque connotes a separation from the bureaucracy and an attempt to provide more helpful service. I am sure the expertise and concern of the staff at the Central Office in Albuquerque is also a key factor in this changing acceptance, but I feel even this expert staff would have additional problems in effectively carrying out their tasks if relocated in Washington.

The time is critical, and the needs of Native Americans are great. Any and all possible vehicles that will facilitate addressing meeting these needs should be considered and should be of prime concern to the United States Government.

I sincerely hope any thoughts of moving the Albuquerque office to Washington will be reconsidered. In this period of growing self-determination, help and understanding are desperately needed.

Keeping the field office in the field will provide the most time-efficient and cost-effective services possible, and will help assure Native Americans that BIA is truly interested in helping them achieve full self-sufficiency.

Sincerely,

Judy Ann Buffmire, Ph.d.

## STATUS OF IERC STUDY

Senator MONTROYA. Mr. Commissioner, is the Bureau as part of its study contacting those who use the services of the center about the possible move?

Commissioner THOMPSON. No. 1, Senator, we have not made any decisions as to whether portions, individuals or sections of IERC should be placed any other place than where they are currently.

As I indicated, it is an overall review. So we are not saying that we have notified any employees. There have not been any policy decisions made that X section of IERC be moved to another location.

In fairness to the Senator, prior to that type of decision being made, we will have communicated with the Hill. It is just an internal study that is being done by two people to look at the total overall education needs.

So as such, we have not indicated, or no decisions have been made, that 10 people or 100—there are approximately 50 professional positions there on a full-time basis—there have been no recommendations made to me or to the Director of Indian Education that 10 of them ought to go here. So it is really premature yet. We will communicate with the committee and yourself on these things as they move along.

Senator MONTROYA. My concern is that here we have been talking about decentralizing the government out of Washington. Now we are trying to bring it back. It is counterproductive because this resource center is close to the action. The action is not in Washington, the action is out in the field.

Commissioner THOMPSON. I appreciate that. One of the things we are looking at from a total point of view is the number and type of professional people needed here in the Washington office, the number and type of professional people needed in the resource center, as well as the number and type of people needed in the field, and if we have a correct alignment between all of those three branches. We honestly did not go in with any prearranged ideas about the numbers that should be located here. It is a review by some individuals.

This effort and this study, hopefully, will lead toward some recommendations. But we are not at that point now.

## TIMING OF IERC STUDY

Senator MONTROYA. Your letter to me dated January 6, 1976 indicates that your study will be completed by the end of January. Yet, in a letter dated February 6, 1976, the Secretary of the Interior speaks of a study in progress. Has your study been completed?

Commissioner THOMPSON. No, it has not, Senator. We are shooting toward a new target date. We were hopeful at that time to have a concurrence on a new director of Indian education. We are a day or so, hopefully, away from that.

One of the first things he will probably undertake is a review of these recommendations. So as such, we don't have a director of Indian education who is keyed in. We feel it is going to be primarily one of his objective areas, and we want his concurrence, denial or recommendation prior to making any recommendations to the committee. So it is for that reason we are not ready by the end of January.

Senator MONTROYA. We are very concerned about any possible move of that center. I wish you would give us a chance to offer some justification for its retention in Albuquerque. I am sure that I can bring a lot of Indians into Washington, and we will make a Bicentennial celebration out of it.

Commissioner THOMPSON. We would like them here for other reasons. But we will communicate with the Senator and with his staff.

Senator MONTROYA. Okay.

#### FOUR CORNERS ROADS

What about the Four Corners roads, Routes 666, 44, and 371? Who is the expert on roads, Mr. McDonald?

Commissioner THOMPSON. Dan McDonald.

Mr. McDONALD. Mr. Chairman, we put forth our request as a fiscal year 1976 supplemental for \$10 million for those particular roads you mentioned. As of this morning an OMB budget examiner advised me that they did not know what the status of that request was at this time.

Senator MONTROYA. When did you put in this request? Was that after your budget had been approved?

Mr. McDONALD. Yes.

Senator MONTROYA. Had you submitted it earlier?

Mr. McDONALD. I don't know whether we submitted it.

Senator MONTROYA. With the total budget?

Mr. McDONALD. Do you recall that? What is that \$25 million figure? No, it was not submitted in the budget. We had heard, Senator, last week informally from Senator Domenici's office that the money was approved, but OMB had no knowledge of that this morning.

Senator MONTROYA. We will have to get after OMB on this. Last year you did the same thing and they turned you down, didn't they?

Mr. McDONALD. Yes.

Senator MONTROYA. Even though there was language in the report indicating that the Public Works Committee was most anxious to see that the primary beneficiaries were going to be the roads listed which I have mentioned.

Since there is still a great deal of interest in the roads program in New Mexico, especially in the area where the coal gasification plants are to be built in the Four Corners area, is there any intention on the part of BIA under its road program to allocate some funds for construction of roads to the coal gasification plant out of the budget request for roads?

Mr. McDONALD. Out of the \$22 million that already went to the Navajo area in fiscal year 1976, approximately \$7 million is going into that particular section of the Navajo area, the Four Corners area, primarily to serve the irrigation projects.

#### NAVAJO INDIAN IRRIGATION

Senator MONTROYA. The Navajo Indian irrigation and the coal gasification are in the same area?

Mr. McDONALD. Yes, they are.

Senator MONTROYA. Is that it?

Mr. McDONALD. Yes.

Senator MONTROYA. I want clarification then.

Mr. McDONALD. We allocate our funds by tribal priorities, to determine the total amount we give to each administrative area. The Navajo area does place a high priority in the Four Corners section of the reservation on the roads to serve those things that you mentioned, the coal gasification and the irrigation project.

Senator MONTROYA. Can you assure this committee that this priority will be watched and monitored and audited?

Mr. McDONALD. Yes.

Senator MONTROYA. When can we expect some action if this appropriation is approved? What has been done by BIA in the way of planning and design for the approach roads to the Navajo Indian irrigation project and the coal gasification plant area?

Mr. McDONALD. Perhaps I should ask Mr. Gillette to respond to that. I think the first section of the irrigation plan is already completed.

Senator MONTROYA. Yes. I travelled through there about three months ago. I was wondering whether you had any more approach roads to the Navajo Indian irrigation project. Do you?

Mr. McDONALD. Yes, they are all planned.

#### COAL GASIFICATION AREA

Senator MONTROYA. And you will have some access roads to the coal gasification area?

Mr. GILLETTE. Senator, the Navajo Tribe is not putting a priority on those gasification project roads. Their priority has been on roads throughout the reservation.

Senator MONTROYA. What are you going to do about the access roads to the coal gasification plants?

Mr. GILLETTE. The Bureau has requested an add-on of \$10 million to start those roads.

Senator MONTROYA. What is your name?

Mr. GILLETTE. Mr. Gillette.

Senator MONTROYA. What do you have to do with this road program?

Mr. GILLETTE. I am the head of the operations portion of the Division of Transportation.

Mr. McDONALD. In Albuquerque.

Senator MONTROYA. In Albuquerque?

Mr. GILLETTE. Yes.

#### TRIBAL PRIORITIES

Senator MONTROYA. Do you make decisions as to where the money is to be spent, or do you just allocate the money to the Navajo Tribal Council and say, "Here it is, you build where you want to." Is that what you do?

Mr. GILLETTE. The Navajo Tribe has a roads commission which sets priorities on roads to be constructed.

Senator MONTROYA. Can you question their priorities?

Mr. GILLETTE. The Commissioner can question priorities, yes.

Senator MONTROYA. All right.

There seems to be a very profound interest in getting some access roads built to the coal gasification plants which are on Indian land and which are developing resources belonging to the Navajo tribe.

The Public Works Committee last year in language in the report indicated that these approach roads should have some type of priority, and nothing has been done about them.

Can we get assurances from you, Commissioner, and from your other people that you will give proper consideration to this urgency to have access roads in the coal gasification plants?

Commissioner THOMPSON. We can, Senator, if I may, with this caveat. We place a great amount of credence in the recommendations made by the various chapters and by the Navajo Roads Commission. I have met with this commission. I have discussed with them some of the road needs on Navajo and some of the gasification road needs.

They are very well aware of their priorities, and I think they have done a very good job of enunciating some of their priorities.

That is a sensitive area for me to indicate that we are going to set up this committee and then alter their priorities.

Senator MONTROYA. I realize that. If we are going to add any more money to this road program, what assurances do we have that our objectives will be reached with language very specifically in the report that it was not reached with the funding for the current fiscal year?

Commissioner THOMPSON. I think, Senator, that should the committee or Congress decide to add the funds for this particular project they will be expended on that project.

#### ROAD CONSTRUCTION ESTIMATES

Senator MONTROYA. How much would be required to build the access roads to the coal gasification plants?

Mr. GILLETTE. There was a preliminary estimate for New Mexico Route 44 of \$31.5 million; Route 371 of \$23,850,000; and for U.S. Route 666 of \$23.4 million.

Senator MONTROYA. How much of this distance would be involved here with respect to Route 44?

Mr. GILLETTE. I do not have that information.

Senator MONTROYA. You do not have the distance along highway 371 or 666? Which of these three would have greater priority insofar as coming closer to the coal gasification plant area?

Mr. GILLETTE. Route 44, New Mexico Route 371.

Senator MONTROYA. You did not mention that, did you?

Mr. GILLETTE. Yes.

Senator MONTROYA. Did you mention 44 or 34?

Mr. Gillette. Forty-four, Senator.

Senator MONTROYA. But it is 44 then. How many miles?

Mr. GILLETTE. I don't have that information, Senator.

Senator MONTROYA. The State of New Mexico will participate in part of the costs, will it not? How much?

Mr. GILLETTE. Yes, they will.

Senator MONTROYA. How much, have they indicated that to you?

Mr. GILLETTE. \$27 million.

Senator MONTROYA. The State will participate to the tune of \$27 million?

Mr. GILLETTE. Yes.

Senator MONTROYA. So you will need about \$4 million for your part of the costs? You indicated that \$31 million was the total cost.

Mr. LYNN. \$27 million is the total State participation for the three routes.

Senator MONTROYA. \$27 million?

Mr. LYNN. \$27 million. They plan \$27 million in state taxes for these roads, U.S. 666, New Mexico 371 and New Mexico 44.

Senator MONTROYA. How much do you need to complete these roads, taking into consideration \$27 million that will be put up by the State of New Mexico?

Mr. LYNN. The total cost for the improvement of these roads was estimated by the New Mexico State Highway Department to be \$80 million.

#### RECOMMENDED FOUR CORNERS SPENDING

Senator MONTROYA. All right. So you would need close to \$53 million. That is a lot of money in these days of austerity.

Would you submit a statement to the committee indicating what would be the most practical expenditure, and at the same time realize some objective of getting close to the coal gasification plant area and develop a participation picture, a mosaic between the State of New Mexico and the Federal Government?

Commissioner THOMPSON. We would be pleased to, Senator.

[The information follows:]

#### ROUTES U.S. 666, NEW MEXICO 44 AND 371

These routes lie in the northwest corner of New Mexico. U.S. 666 runs north-south within the Navajo Reservation; New Mexico 371 runs south from Farmington, outside and parallel to the reservation border through checkerboard Indian land; and New Mexico 44 runs northwest-southeast, traversing 25 miles of Indian land, and connecting Farmington and Albuquerque.

The land served by these three routes is barren and sparsely populated, but between U.S. 666 and New Mexico routes and on the Navajo Reservation, are the proposed Wesco and El Paso Natural gas coal gasification plants, the El Paso-Consol coal lease, and the Navajo Indian Irrigation Project. The Navajo Tribal Council is now negotiating with private industry for the continued development of this area which is critical to Navajo economic self-sufficiency. The improvement of the three routes is considered critical to the development plan.

The Federal-Aid Highway Amendments of 1974 (P.L. 93-643) authorized additional contract authority for "Indian reservation roads and bridges," and the legislative history (Senate Report 93-1111, pp 4-5) indicates that some part of it was intended for improving the above three routes. The total cost of improving the three routes is estimated to be about \$80 million. The State of New Mexico, on the assumption that the State, the Navajo Tribe and the Bureau of Indian Affairs would share the cost, set in motion a plan to generate a fund of \$27 million as the local State share, a portion of which was to be matched by the State apportionment of the Highway Trust Fund to make up the remainder of the total cost. The Bureau's share under this plan would be \$10 million. The balance of \$70 million will be funded over the next seven years by the State of New Mexico using a combination of State, local, and Highway Trust funds.

#### FEDERAL AID HIGHWAY ACT

Senator MONTROYA. This year the Bureau has requested \$68.5 million in contract letting authority for the Indian roads program. Is it the Bureau's intention that any of this money be earmarked for the specific program authorized in the Federal Aid Highway Amendment of 1974; that is, Public Law 93-643?

Mr. McDONALD. Yes, that is the act we operate under, Senator.

Senator MONTROYA. This \$68.5 million, is that earmarked for the expanded program authorized under this law, under this authorization?

Mr. McDONALD. Yes.

Senator MONTROYA. This is the Four Corners authorization.

Mr. McDONALD. Oh, I was speaking of the total authorization that we operate under other than the 1974 Highway Act.

Senator MONTROYA. How much are you spending out of this \$68.5 million?

Let me put the question another way. How much are you spending on the Four Corners area pursuant to the authorization that was passed here under the Federal Aid Highway Amendments of 1974?

Mr. McDONALD. Under this specific appropriation about \$7 million is planned.

Senator MONTROYA. \$7 million. That will not carry you to far, will it?

Mr. McDONALD. Not as far as the total need is concerned, no, sir.

Senator MONTROYA. I understand the \$10 million you asked for last year from OMB, they turned you down. And now you are requesting it and you have not heard from OMB yet.

Mr. McDONALD. That is right.

Senator MONTROYA. The Navajo Tribe has indicated to you that they will not use any of the roads money that has been allocated to them, or that might be allocated in the future from next year's appropriation to them, for use in construction of roads in this particular area, is that correct?

Mr. McDONALD. No. They do plan to spend most of it to serve the irrigation project, which may incidentally serve the gasification project also.

Senator MONTROYA. Is it the Bureau's intention to begin implementing this additional phase of the Indian roads program in the near future?

Mr. McDONALD. I am sorry, Senator, I do not understand the question.

Senator MONTROYA. That is, the expanded program authorized in the Federal Highway Amendments Act of 1974. Is it your intention to implement this in the near future?

Mr. McDONALD. We had hoped to, yes, sir.

Senator MONTROYA. How soon? What is the timetable?

Mr. McDONALD. As we mentioned earlier, we put in the request to do that some 6 months or so ago, I believe. I am not sure what the time was under that particular section you are referring to.

Senator MONTROYA. With OMB?

Mr. McDONALD. Yes.

Senator MONTROYA. You put the application in with OMB?

Mr. McDONALD. Yes.

Senator MONTROYA. Six months ago? They have not given you an answer?

Mr. McDONALD. I am not sure about that timetable.

Do you know?

Mr. LYNN. We supplied that on May 26.

Senator MONTROYA. You go ahead and testify, sir. Identify yourself for the record.

Mr. LYNN. My name is George Lynn. I am Mr. McDonald's assistant.

Senator MONTROYA. Yes.

Mr. LYNN. We have supplied to OMB in response to the meeting with that Office on May 25, 1975, justifications for the \$10 million, which is BIA's contribution for improvement of Federal aid to highways in the Four Corners area of New Mexico.

Senator MONTROYA. What did OMB tell you?

Mr. LYNN. We have not gotten an answer yet, Senator.

Senator MONTROYA. Will the clerk of this committee ask OMB to give us an answer, and urge upon them that they give favorable consideration to this.

[A budget request for \$10,000,000 was subsequently received on approximately March 15, 1976.]

Senator MONTROYA. Senator Hatfield?

#### CHEMAWA INDIAN SCHOOL

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

Commissioner, I would like to talk to you a little bit about the Chemawa Indian school in Oregon. Just to briefly recite the background, in 1972 when I came on this committee we were able to amend the budget to get \$750,000 for the planning and design of the new facility. Then in 1973 we acquired the funding for the plan and design of an Indian Health Service facility at Chemawa.

Then, in 1975, the report of this committee required the Director of BIA and the administration to request funding as soon as school design was finished.

In 1976 we unsuccessfully sought \$5.5 million for phase I of the construction of the new facility. The committee then directed the BIA, and I quote from page 23 of our last year's committee report: "The committee understands planning was just recently completed on a replacement facility for Chemawa Indian School, Oregon. Because of the present school's badly deteriorated condition the committee will expect the Bureau to include necessary funds to construct the new facility in its next regular budget estimates."

I note that has not yet been followed. So I would just like to ask you what you intend to do about Chemawa.

Commissioner THOMPSON. One thing, Senator. As I am sure you are aware, a recent report made by an architectural firm has determined that the facility now is in such disrepair as to not be habitable by students. We have taken some emergency measures to keep the school operational.

We are working with the Committee of Concerned Parents, with the school board, and with the Northwest Affiliated Tribes in coming up with an action plan as to what we should do in the next school year and some long range plans for Chemawa.

The Bureau is in a very unusual situation here, Senator. We are under some obligation or directive from the Indian Education Subcommittee to phase out all off-reservation boarding schools such as Chemawa.

Senator HATFIELD. We have been down that road. Do not raise that as an excuse at this point. We have been down that road long ago. We have made a decision on this. The committee made a decision, the House committee, the conference committee.

Commissioner THOMPSON. I can only respond, Senator, by saying that is the directive. We have appeared before the House Appropriations Committee. That issue was raised. I am not saying—

Senator HATFIELD. That was raised 6 years ago. That was raised 6 years ago, Commissioner, that is old hat. Give me some new information. Give me some new excuses.

Commissioner THOMPSON. In deference to the Senator, it was just raised last week in front of the House committee.

#### 1975 CONFERENCE REPORT

Senator HATFIELD. Let me read now the language from the 1975 conference report: "The managers on the part of the House and Senate are in agreement"—This goes back to fiscal 1975; this is why I say you are giving me old excuses—"The managers on the part of the House and Senate are in agreement that a prompt request for construction funds for the Chemawa School, Oregon, be provided once design studies now underway are completed."

You got direct orders and instructions in 1975 to proceed. There was no question raised at that point. We had that discussion 6 years ago.

Commissioner THOMPSON. Again, Senator, I am not saying that 6 years ago that discussion was not had. I am saying that currently, just for background information, the Bureau is under some directives from the Education and Labor Committee in the House.

Senator HATFIELD. You have ignored the directives before so consistently. I have cited two of them that you have ignored.

Do we have to go to the Secretary of the Interior or the higher-ups to get some action on this? You are obviously not capable of getting some action.

Commissioner THOMPSON. To answer your question directly, I report to the Secretary of the Interior.

Senator HATFIELD. The Secretary of the Interior? All right, thank you.

You are quite right, we have had to close two buildings there. This is an utter disgrace. This is a scandal. This is a public scandal.

The BIA has really, I think, deserved about all the criticism it is getting and continues to get for its inaction, because I can give you testimony to this particular inaction. Committee report after committee report have given you instructions, and you have totally ignored them. You have totally ignored them.

We not only have to close two buildings, Mr. Chairman, but we have buildings that are 80 and 90 years old that these Indian students are supposed to be trying to get some kind of an education in.

I have been patient. I have been very patient with the BIA. I have even been a defender of the BIA. I can't be any longer. I can assure you that from my positions, my various positions in reviewing the BIA, I shall certainly land heavily on the BIA for the kinds of vulnerability that it represents for its inaction.

Let me also indicate to you that you obviously have not put very high priority on the instructions of the committees of Congress, or even within your own agency. I have understood that you have low numbers of students there, but the low numbers of course are because

a lot of these people do not want to send their youngsters there under such conditions.

#### CHEMAWA SCHOOL PLANNING

You tell me the BIA is interested in Indian affairs. How much of it involves the Northwest tribes in the planning at Chemawa?

Commissioner THOMPSON. I think very extensively, Senator.

Senator HATFIELD. Not according to the Northwest tribes.

Commissioner THOMPSON. They have formed a committee of all the various tribal leaders there. They are working with the school board, they are working with other committees. I have met personally with them.

Senator HATFIELD. These are under emergency conditions, aren't they?

Commissioner THOMPSON. That is correct.

Senator HATFIELD. You have let it get so bad that now you are having emergency meetings.

Commissioner THOMPSON. Senator, it has been policy both with Congress and the administration on these reservation boarding schools. Where we can, as opposed to transporting students from out of State across State lines to receive a education, the policy of both Congress and the administration has been to try to get an education for these children as close to home as possible.

Senator HATFIELD. That has nothing to do with the facilities that are required when we have appropriated money. You have spent \$750,000 to plan a new facility. You have spent more money in planning a health facility. You would certainly have followed along, and you did follow along with those policy decisions. So you see, that is why I cannot believe or accept what your lame excuses are today when you have already spent almost \$1 million of the taxpayers' money proceeding to replace these ancient facilities and provide new health facilities.

You see, that doesn't make sense, does it, when you have gone ahead and spent all that money. Now you are telling me that you are not sure what the planning in the future is.

Commissioner THOMPSON. We spent the planning money that was appropriated by the committee. It was added on by the committee.

Senator HATFIELD. It was added on, that is right. Now in spending it you were abiding by the instructions of the committee, weren't you?

Commissioner THOMPSON. Correct.

#### REQUEST FOR CONSTRUCTION FUNDING

Senator HATFIELD. Did you abide by the instructions when you failed to request construction money?

Commissioner THOMPSON. There are reasons for that, Senator.

Senator HATFIELD. Did you ask for that construction money?

Commissioner THOMPSON. I do not believe we did. I could stand to be corrected.

Senator HATFIELD. You cannot blame it on OMB then for having taken it out once you requested it, is that right?

Commissioner THOMPSON. The money did not go forward.

Senator HATFIELD. You did not request it. You made no push for it.

Commissioner THOMPSON. That is correct.

Senator HATFIELD. You failed to follow through on the legislative instructions of 1975 and 1976.

Commissioner THOMPSON. For reasons.

Senator HATFIELD. Yes. Would you care to offer a few more reasons?

Commissioner THOMPSON. As to what?

Senator HATFIELD. As to why you failed to follow through with the instructions.

Commissioner THOMPSON. We have, I think, as I indicated before, we have a budget here that has increases in all the program areas except construction.

In a constrained budget year we feel it is consistent to fund some of the new efforts that we have and increase some of the program efforts we have. We were not able to do it in all items.

Senator HATFIELD. Yes. Well, I think it is very interesting that we have budget constraints to the point where we have to have emergency meetings with parents of Indian tribes to try to hold the walls up of an ancient structure that is a danger, a threat to the safety of those youngsters. At the same time, we cannot follow through with legislative instructions even to ask for construction money.

Do you even have a precise figure of what construction money would be required to get phase I underway at this time?

Commissioner THOMPSON. It is our estimate that with the current enrollment there—there are 279 students—it would be about \$13 million for a new facility.

#### CHEMAWA SCHOOL ENROLLMENT

Senator HATFIELD. Are you aware of the Siletz restoration bill proposal, on which we will have a hearing in March, which will add another group of students eligible for education at Chemawa?

Commissioner THOMPSON. It is conceivable—Senator, I must also say that for the last 10 years there has been a decline in off-reservation boarding schools. There has been a policy of phasing those education facilities out.

I am not speaking directly to the Chemawa situation, but I am saying that nationally Congress and the Administration have attempted to build facilities as close to students' homes as possible so, that we will not be in a position of transporting students across state lines to receive an education.

Senator HATFIELD. Can you give me the position of the Northwest tribes on this issue you are raising?

Commissioner THOMPSON. The Northwest affiliated tribes, when I met with their representative in Albuquerque, indicated they were going back and meeting. I understood they met last week and have come out with a recommendation that Chemawa stay in its present location.

Senator HATFIELD. Yes. So that the Northwest affiliated tribes have consistently given support to the continuation of this school, correct?

Commssioner THOMPSON. I believe that would be a fair statement, yes.

Senator HATFIELD. So BIA in its wisdom is going to take another tack. Is it my understanding you are going to phase it out?

Commissioner THOMPSON. I did not say that, Senator.

Senator HATFIELD. What am I to understand by your raising that issue about your phasing out such a school?

Commissioner THOMPSON. That is background that other committees of Congress have approached under that directive. We do have a situation in Chemawa where we should look at the current enrollment, at the estimated enrollment, at the projected enrollment, and determine whether a facility of this sort is needed at this particular location.

Senator HATFIELD. Mr. Chairman, this is complete balderdash. This is the same type of reasons and excuses that have been raised for 6 years.

Let me ask you, Commissioner, have you ever visited that school?

Commissioner THOMPSON. I visited it on three occasions.

Senator HATFIELD. How long ago? What was your last one?

Commissioner THOMPSON. In October of last year.

Senator HATFIELD. Would you send your children to that school?

Commissioner THOMPSON. No. But I might, if I may—

Senator Hatfield. I would not send my children to that school.

#### ALASKA STUDENT IMPACT

Senator STEVENS. You should let him answer that question, Senator. The reason is Alaskan students are tired of going that far. In Alaska we have urgently tried to keep our kids in our own State, and the downfall of the reduction of population in Chemawa is directly related to the increase of regional schools in Alaska.

I think you ought to listen to the Commissioner when he tells you about the population levels in Chemawa, and the necessity for continuing a school of that size, because our kids are not going out of the State of Alaska to go to a school in Oregon any more. As a matter of fact, if the busing amendment passes, they cannot.

Senator HATFIELD. May I remind you it is not a question of the size of a room, but we are very happy to have Alaskan students stay in Alaska. The point is simply that we have sufficient students here to maintain a school. The quality of education and facilities is required whatever the number you have, whether you have Alaskan students or not.

The point is simply this school has been deteriorating under the excuse that has been offered by the BIA, and the typical inaction of BIA even to meet the needs of these students. This has been understood by the committees of Congress for at least 6 years—or 4 years, because we started in 1972 to start remedying that because BIA has shown so little leadership.

What I am suggesting is that to date the BIA has continued to refuse to face up to this responsibility. It has refused even to follow the instructions of the Congress and the committees of the Congress.

I am wondering how far up the ladder we have to go to get the kind of pressure on the BIA Commissioner to get some action on this. Believe me, I will go as high as necessary. If I cannot get BIA stirred into action, I can go elsewhere.

Senator MONTROYA. May I interject here?

Commissioner, did you ask for any sum for construction within the Department of the Interior before you submitted the final budget to OMB?

Commissioner THOMPSON. Excuse me, Senator, I did not get the question.

Senator MONTOYA. Did you request from the budget committee of the Interior Department authority for submission of construction money to OMB for this particular school?

Commissioner THOMPSON. No; in answer to the Senator's question, we did not.

Senator MONTOYA. So it was never considered by your department?

Commissioner THOMPSON. Not for new construction.

#### DESIGN OF A NEW FACILITY

Senator HATFIELD. We know, Mr. Chairman, they have spent the money for design of a new facility plus a new health center. Both of these have been moved through the design stage, both of them by amendment of this committee.

Senator MONTOYA. How much did you spend on design of the school and for the clinic?

Commissioner THOMPSON. I could not answer on the clinic, Senator. That is an HEW appropriation. We spent approximately \$750,000 I understand, on the school design.

Senator MONTOYA. When did you finish that design?

Mr. CARMODY. Just recently, within the last month.

Commissioner THOMPSON. If I may raise another point on that, we are under a funding cycling situation that has been mandated by the House Appropriations Committee that a school be planned 1 year, designed 1 year, and construction money requested the next. It is entirely conceivable that it may be inappropriate yet to come before the Appropriations Committee for a construction request.

I do not know if that is the case, but it might be a possibility.

Senator MONTOYA. When did you get the design money?

Commissioner THOMPSON. In 1975.

Senator MONTOYA. Fiscal year 1975?

Commissioner THOMPSON. I am told that is correct.

Senator MONTOYA. And you finished funding in 1976?

Senator HATFIELD. Excuse me, Senator. To correct the record, it was requested in the year 1972 for fiscal year 1973. They got it in 1973, \$750,000.

Commissioner THOMPSON. The design money?

Senator HATFIELD. Yes.

Senator MONTOYA. Would not the design sort of be outmoded by this time? You will have to spend more money for revised or modified design.

Commissioner THOMPSON. I am told that the design was just completed, Senator.

Senator MONTOYA. Any more questions, Senator?

Senator HATFIELD. I would just say for the record that our information is the plans have been complete for some time. This business of this most recent time is something totally new.

Commissioner THOMPSON. I do not want to mislead the Senator, but that is my information.

Mr. CARMODY. Yes.

Senator MONTROYA. Would you identify yourself for the record?

Mr. CARMODY. John Carmody, school facilities. It is our information that the final acceptance of the design was in the last month. The architect had completed them—

Senator HATFIELD. Last summer they completed them.

Mr. CARMODY. Just within the last few months. The Bureau finally accepted the last one within the last few months.

Senator HATFIELD. I believe the architects in my office have information they were completed last summer.

Commissioner THOMPSON. We would be pleased to clarify when the design was completed. We will be pleased to submit that for the record.

Senator MONTROYA. Could you submit that, as to when the design contract was signed and how long it took, and when was it completed?

Commissioner THOMPSON. We would be pleased to, Senator.

[The information follows:]

#### DESIGN CONTRACT FOR CHEMAWA SCHOOL

The contract for design of the Chemawa School was awarded on October 24, 1973. The design is for a comprehensive high school academic program including dormitories for 600 students.

In June 1975 the design and drawings were received by the Bureau and were found to be incomplete and non-coordinated. The mechanical drawings were approximately 50% complete and the electrical required substantial work.

The drawings were reviewed and returned to the A/E contractor for compliance with the contract agreement in August 1975.

The final contract documents including drawings and specifications were complete and accepted by the BIA February 20, 1976.

#### SOUTH DAKOTA EDUCATIONAL ASSISTANCE

Senator HATFIELD. Thank you, Mr. Chairman.

Senator STEVENS. I believe Senator Abourezk has been here for a few minutes.

Senator MONTROYA. I have a question that Senator Abourezk asked me to propound on his behalf.

You had promised a decision last Thursday to Senator Abourezk regarding a waiver for Johnson-O'Malley funds for certain South Dakota school districts. As of now, he does not have that decision. What is it?

Commissioner THOMPSON. I did make the good Senator a promise that we would have the decision on Thursday night, I believe, at 5 o'clock. I was out both Thursday afternoon and Friday with the flu and did not get back to work until Monday.

We got some final recommendations up from our Acting Director of Education and from the people who are in the program. There is no final decision. But one of the discussion items we are having is to not grant a waiver, but look at—we are hoping to meet with the various delegations—not to currently grant the waiver, but to followup with other appropriated money to carry over those certain school districts that are having this unique start-up problem.

Senator MONTROYA. If there is no objection from the committee, I will ask Senator Abourezk to go ahead and ask some questions.

Senator ABOUREZK. Thank you, Mr. Chairman. I appreciate it very much.

What does that mean? It means that they are going to get the money that had been scheduled for them under Johnson-O'Malley, but it will not be Johnson-O'Malley money? Is that what are you saying?

Commissioner THOMPSON. One of the two things we are looking at, Senator, is trying to stay with our regulations, and two, to look at moneys out of the regular school appropriation line item to meet some of the educational needs in the school districts that have this unique problem.

Senator ABOUREZK. You are looking at it, is what you are saying?

Commissioner THOMPSON. Our current plan is to use appropriated moneys in some of these school districts where we feel it will be appropriate.

Senator ABOUREZK. Have you made that decision to do that yet?

Commissioner THOMPSON. Not finally.

Senator ABOUREZK. You have not made it yet?

Commissioner THOMPSON. No.

#### TIMING OF DECISION

Senator ABOUREZK. Mr. Chairman, I just want to say that the Commissioner was made aware during a meeting we had last week with him that these school districts had to know by March 12 whether or not they are going to receive that operating money.

If they are not, their teachers are going to start drifting off and looking for work elsewhere, the ones that will be taken up by this slack. He is well aware of that decision date.

To this date, there is no decision. That is the reason I came over. I certainly appreciate the Chairman allowing me to do this, to try to get a decision out of the Commissioner.

Apparently, as Senator Hatfield has said, it is the same hogwash I have been hearing for an awful long time. I am curious to know why it is you cannot make a decision so that these people can find some kind of relief for themselves?

Commissioner THOMPSON. As I indicated, Senator, I was absent from the office on Thursday and Friday, which would have allowed us that time. We have missed the regular date by a day and a half.

In fairness both to the Bureau and to the situation, these regulations have been out and published for quite some time. I find it somewhat interesting that a week before the contracts are to be let the issue was raised both to the Bureau and to ourselves, and we are expected to solve it in that time.

I think the issue was there since way last September.

Senator ABOUREZK. I have to say that the issue was raised well before a week, Mr. Chairman, because some 3 weeks ago your Education Director from Albuquerque was up here and sat in on a meeting with me and some other South Dakota school officials on the same question. So the issue was raised well before that on a need for waivers of the Johnson-O'Malley money.

I do not know what to do, Mr. Chairman. I understand you have the same frustrations I do with this outfit, and you are the ones controlling the money. Maybe you can do something about it.

Senator MONTAYA. We are trying to teach the Indians in New Mexico, not only to pray for rain, but to pray for construction money.

Senator STEVENS. I have a few questions.

Senator ABOUREZK. Thank you, Mr. Chairman.

Senator STEVENS. I have a few questions now, if I may, Mr. Chairman.

Senator MONTROYA. You may proceed, Senator Stevens.

#### ALASKAN NATIVE CLAIMS AMENDMENT

Senator STEVENS. Mr. Commissioner, during the initial budget hearings I asked if we had a budget amendment to fund the amendments to the Alaskan Native Land Claims Act, which were passed at the end of last year.

Do you know whether there will be a budget amendment forthcoming in time to act on this bill?

Commissioner THOMPSON. Yes. We have had some discussions, both with the Bureau, with the people in Alaska, and with the Department. We have the final recommendations broken out on the \$1.6 million for the monies to the four named cities and some of the communities named in the act. We are requesting monies, about \$1,650,000 to cover the enrollment portions of the act.

Those are ready. We have been working back and forth with the Department and should have them within the Department today, and hopefully from OMB shortly thereafter.

Senator STEVENS. That is good news. I hope they can get here in time for the markup of this bill. There is about \$1,650,000 authorized there. How much will be required to fund the enrollment office that is required to open the enrollment period for those who did not get enrolled in time in the original act?

Commissioner THOMPSON. It is anticipated to cost about \$1,650,000.

Senator STEVENS. For the enrollment function? What about the \$1 million that is required for the four appropriations?

Commissioner THOMPSON. That is included as well—excuse me. That will be included in the budget supplemental. That is not included in the \$1.6 million.

Senator STEVENS. All right.

#### INDIAN FINANCING ACT

I am told that the regulations to implement the Indian Financing Act preclude participation of Alaskan Natives living in Anchorage, Fairbanks, Juneau, and other urban areas of Alaska.

Can you tell us why there has been this departure from the traditional practice which treated the entire State of Alaska as eligible for BIA and Indian health service programs?

Commissioner THOMPSON. It is our understanding, Senator, we have been working with the Solicitor's office on this. They advised us that the Indian Financing Act, that the thrust of the act is that it would be on-reservation development. One of the interpretations they give in the Indian Financing Act deals specifically with Alaska. It says that for purposes of this act, reservations in Alaska will mean, and then they cite the regional and village cooperations and allotted land directly. So it is a direct tie-in under the Indian Financing Act.

However, we have carefully reviewed the matter. The act also allows, Senator, loans to be made in Anchorage, Fairbanks, and Juneau

situations if there is an impact on a reservation situation. For example, if you would, take Anchorage. If there is employment from the Eklutna Reservation—the Eklutna Reservation which is next door, then conceivably a loan could be made because it could impact on the reservation situation. If a loan is made to a list of corporations, they would employ and purchase some services from the list of people, it is conceivable that could be construed as a positive impact on that reservation.

That caveat language is to broaden the language. We have notified the Juneau area that we feel that those criteria of loans and grants can then be made.

I also point out, Senator, that we are in the third year of the 3-year program of the Indian Financing Act. The grants, the loan guarantees, and income subsidies are expiring this year. It is not really that we are depriving the people in those areas of the act.

#### INDIAN SELF-DETERMINATION ACT

Senator STEVENS. The AFN, the Alaskan Federation of Natives, tells me they are having the same problem with the Indian Self-Determination Act, and the urban areas are being excluded. Does that law also have the same problem?

In your opinion, what is the relationship between that Indian Self-Determination Act and the Buy Indian Act?

Commissioner THOMPSON. We are having a problem. The only problem I am aware of within the Self-Determination Act is the definition of an Indian reservation.

As you know, Alaska is very unique. In the Indian claims bill, or the Native claims bill that passed, it does away with the reservation situation, and it complicates what we consider a reservation in Alaska for purposes of administering Bureau programs.

Senator STEVENS. I thought in the Lands Claims Act we specifically provided that it was not intended to do away with existing programs or existing treatment in the funded so-called 2-C study to see what should happen in the future. In the meantime, we would maintain the status quo in the interpretation of the services that were available in Alaska.

Commissioner THOMPSON. That is correct. That is a factual statement. The problem is, the Financing Act came along later and was more specific and tied back to the Native claims bill and in its definition of a reservation, they were more restrictive in the later statute.

Senator STEVENS. I thought I made some legislative history, but that did not amend the language of that. I will have to check it. It is my memory that we did not intend to get involved with that.

Commissioner THOMPSON. We would also like to sit down with some of your staff and discuss this, because we, too, have some concerns that this has become a practice as opposed to an exception.

Senator STEVENS. It was an administrative practice that I helped set underway. At the time Alaska was so big, they thought it was better to treat the whole State as a reservation rather than try to deal with specific areas where specific acts would apply. The mobility of the Alaskan Native people led to that conclusion. It was hard to locate where the reservation was, depending upon the time of

year, so that goes back 20 years in terms of the policy that was established that all Indian programs would apply to Alaska without regard to reservations drawn on a map, that there would be services available to the Alaskan Native people.

Let me go on. I am sure the chairman and others want to go ahead.

#### BIA-HUD-INDIAN HEALTH SERVICE

We have this BIA-HUD-Indian health service agreement. What progress are we making with regard to the new units of housing which are to be constructed in Alaska now? We have just been told that HUD is moving ahead on the 500 units, and an additional 465 units this year.

Are you still cooperating with them with regard to the original 500 units?

Commissioner THOMPSON. We are. On the new units there was some early-on discussion as to who would administer the program. I indicated to our people that it was not our concern, that if HUD felt they wanted to continue, it would be fine with us; if they wanted us to continue within the arrangement we entered into before, we would be more than willing. But I was not interested in a long discussion with them as to who was going to administer the program. We were more interested in getting the houses out. The houses that we lost in the barge accident have been replaced by HUD.

Senator STEVENS. Let me ask you some questions with regard to that. I think we ought to have a record to make sure where we are going in regard to those units.

Commissioner THOMPSON. We would be pleased to answer any questions you have, Senator.

Senator STEVENS. How far along are we on the 500 units being constructed in Alaska under the joint HUD-BIA-IHS agreement?

Commissioner THOMPSON. There are 56 units occupied and 444 units under construction.

Senator STEVENS. Are we going to be able to keep within the budget constraints set by HUD?

Commissioner THOMPSON. Certain housing authorities will have cost overruns.

#### ALASKA HOUSING PROGRAM MANAGEMENT

Senator STEVENS. I understand that HUD wants the local Indian housing authorities in Alaska to assume management of public housing built several years ago in Nome and Bethel. We have had a great deal of difficulty with these units over the years—particularly Bethel. Do you feel that assumption of these units would be beneficial to the housing authorities involved?

Commissioner THOMPSON. In general, the assumption of these units would be beneficial. However, the houses would have to be brought up to standard condition and possibly modernized. The water and sanitary facilities would also have to be repaired or modernized, in some cases. The monetary responsibilities of the housing authority concerning these units would have to be clearly spelled out, that is, is the government going to sell the units to the housing authorities

for a nominal amount, and then have the housing authorities manage the units, or is the government going to ask the housing authorities only to manage the units? In either case, will the housing authorities be provided funds to educate the present homeowners about their own, as well as the housing authorities' responsibilities? If the units are to be turned over to the housing authorities for management only, will the housing authorities be provided funds for staff?

Senator STEVENS. HUD wants to build another 465 units in Alaska under the joint agreement. Is the Bureau willing to continue this program, and if so, under what conditions?

Commissioner THOMPSON. It is our understanding that HUD wishes to continue the cooperative arrangement for only 400 of the 465 units. The Bureau is willing to continue this program under certain conditions. I will supply the details for the record.

[The information follows:]

—The Regional Native Housing Authorities desire to construct the 400 units under cooperative arrangements with BIA.

—That the housing authorities themselves are represented in the makeup of the new agreements and the housing authorities are included in the village selection, planning, and development process, including the makeup of the agreements under which we would continue with the program.

—That there would be clear lines of responsibility and authority for each entity, particularly with regard to cost controls and management after occupancy. For example, if the BIA is responsible for the technical management of construction that the expenditures of funds for this particular segment of the development would be subject to BIA approvals.

—That the BIA not be responsible for any management subsidies that may be needed by the housing authorities.

—That the Regional Native Housing Authorities be considered and treated no differently than other Indian housing authorities across the country, especially with regard to preimposed limitations on unit costs.

For example, the type of house should conform to the standard acceptable in the particular village or geographical location. It is the conditions of the Arctic that should impose the design and structural limitations. In addition, the type of house should be dictated by the ability of the prospective occupant to maintain the unit and pay for the utilities.

#### ALASKA EDUCATION FACILITIES

Senator STEVENS. With regard to education, as you know, our State has recently reorganized a so-called State operated school system in the unorganized borough area of Alaska. Rather than being administered from Anchorage, local school boards have been established with control over schools. In many villages the turnout for the school board elections was better than the turnout for the last general election.

Both the State and local school districts are anxious to assume the same relationship with the Bureau schools. For instance, the Kotzebue day school. Did you plan to bring the BIA schools up to standard before the transfer takes effect?

Commissioner THOMPSON. That has been a policy that we have operated under for quite some time in dealing with the State, that prior to turning any facility over we would bring the facility up to State standards.

I know of no change in that policy, Senator.

Senator STEVENS. The Commissioner of Education was in the other day, and I asked him this question. I want to ask you, too.

Are you coordinating with the State to determine which schools will be requested so that when the upgrading takes place, whatever upgrading takes place does in fact upgrade the first schools that are going to be transferred? Is the modernization and rehabilitation program, in other words, of the Bureau schools coordinated with the desire of the State and local districts with regard to this?

Commissioner THOMPSON. We will have to answer this one almost yes and no, Senator. I think we want to do repairs on those facilities that are most urgently needed. If that particular facility was low in the State's interest, it would not be fair to deny that school some upgrading while bringing the facilities that are going over to the State up to par first. I think that is a difficult policy question. I do not know the direct answer to it.

Senator STEVENS. I would like to make certain there is a task force working between your agency and the State to insure the desires of the local people who want to take over the schools soon, that they are met and we are not upgrading some schools in areas where there is no desire to do that, and not doing so in the areas where they are ready.

Would you ask your staff, Commissioner, to give us a report on the status of problems that are occurring in these villages? I am sure you are familiar with them.

[The information follows:]

#### UPGRADING FACILITIES

For the 50 schools now operated by the Bureau of Indian Affairs, a facilities improvement backlog estimated at \$4,500,000 has been established for an upgrading program to provide fire and safety features such as sprinklers, smoke and fire detectors and fire hose cabinets. At the present time, no plans have been developed to upgrade the facilities to meet the code or academic requirements of the State.

The Bureau of Indian Affairs and States have agreed to turn over those facilities first, where the State is operating high schools and the Bureau is operating the elementary schools. No specific priority or schedule has been agreed upon at this time.

#### ALASKA EDUCATIONAL NEEDS

Senator STEVENS. Mountain Village currently has to run split sessions for third and fourth graders. What plans do you have to provide additional classrooms for the school?

Commissioner THOMPSON. The public school district has just completed a high school for 100 students in December 1975. It is my understanding that the public school district is going to request the 7th and 8th grades now in the Bureau school be transferred to the public school district. This will release the overcrowding of classrooms at Mountain Village.

Senator STEVENS. Please provide for the record a description of the physical facilities at Shaktoolik, Alaska.

Commissioner THOMPSON. Yes, sir.

[The information follows:]

The village school of Shaktoolik is located on the east end of Norton Sound, approximately 20 miles south of Norton Bay. The present school facility includes a two classroom school with a diet-kitchen, clinic, a two bedroom quarters, and a partial basement in one building of approximately 3,915 sq. ft.; a generator building with two 10 KW generators of approximately 245 sq. ft.; two storage buildings of 490 sq. ft. each; a warehouse of 1,000 sq. ft.; two pit toilets; and three bulk-oil storage tanks which store 11,000 gallons of fuel oil. The school is heated by individual oil-fired space heaters, and there are two septic tanks which receive sink waste only.

The village has now moved approximately 85 percent of the housing and supporting facilities to a new site near the mouth of the Shaktoolik River, a distance of about 3 miles north of the present school site.

The existing school was constructed in 1930, and as a consequence, it does not meet the academic or construction standards of today's school. In consideration of the substandard qualities of the existing school, and of the fact that the children will now have to commute 3 miles to attend school, the BIA now believes a new school at the new village site should be constructed. In the meantime, the Juneau Area Office is investigating the possibilities of providing temporary classrooms at the new village site for school use in the fall term of calendar year 1976.

Senator STEVENS. Are you satisfied with the progress towards effecting bilingual education for Indian students? What problems are you running up against in this area?

Commissioner THOMPSON. One can never be satisfied with progress, especially regarding such programs as bilingual education. Main problems are technical in that Indian languages were only recently made into written form; there is a scarcity of native speaking teachers; there are no existing literatures in Indian languages; and all of these factors mean large expenditures of funds for development purposes. There is another complicating factor associated with the large number of different Indian languages to be dealt with and the comparatively small numbers of speakers of each language. In general, the above problems are those that are encountered most often.

Senator STEVENS. In your higher education assistance program, how are you guarding against repeating in the Indian population the countrywide mistake of overemphasizing higher education to the extent that college graduates are unable to find jobs that require college degrees and that fulfill their high career hopes?

Commissioner THOMPSON. The Bureau is currently implementing a Career Development Program consisting of several coordinated components. These components are higher education assistance, career education, adult education and adult vocational training.

The operation of this program involves professional career counseling for the individual applicants and the use of the computerized information retrieval system that includes, among other things, information relative to employment possibilities and prospects. It will include information relative to economic development programs on reservations, as well as State and national statistics relative to the job market.

#### TRANSPORTATION OF STUDENTS

Senator STEVENS. Let me ask you about this problem of transportation. We have sort of ducked the issue in the past. I have long felt that the legislation which came before the Congress has barred the use of Federal funds for the transportation of students to maintain racial balance which would apply to Indian students, particularly from our area. I think we had some correspondence on that.

Those amendments have not said "busing", they have said "transportation" of students. I have recently been informed that the Office of Civil Rights in the Department of Justice is, in fact, stating to some of our rural schools and villages that the new Civil Rights Act does in fact require these villages to maintain some sort of racial balance.

Have you been involved in those discussions?

Commissioner THOMPSON. No, I have not to date. I do not believe our education people have either.

Senator STEVENS. I would urge you to get involved in those discussions. I think if people start taking some of our students from these villages where we finally have schools and stating after we have sought, and sought, and sought to get schools closer to home, that they have to be transported someplace else, and other students have to be transported in, in order to maintain racial balance, somebody ought to buy you a fleet of 707's. I don't see how that could possibly happen in our State with the distances involved and the sparse population involved.

I would urge you to take a look at it from the point of view of this so-called busing amendment which again says transportation of students to maintain racial balance. If they are going to take that position, there are some Indians in this country who have been fighting to get schools closer to home. They had better take a long second look at this Busing Act.

I really think some members of your staff ought to work with the Department of Justice on that, because that goes contrary—I know my friends are disturbed—I interrupted them—on this Chemawa school. I have heard too many parents tell me that they don't like their children going a thousand miles away to school.

Now that we have schools closer to home, I don't want some Federal bureaucrats in the Department of Justice saying, "Now we have to transport them because the racial balance is off."

Unless something is straightened out, I think we are going to be in for a horrendous fight in these areas. I don't know whether the Chairman has had this problem down his way or not, whether the racial imbalance is coming out of the civil rights concept.

Senator MONTROYA. We don't have those problems in New Mexico.

Senator STEVENS. Good. The Department of Justice has to get a passport, I hope, to get into New Mexico.

I thank you very much. I think you are doing an excellent job. I only wish we could get you more money. We will do our best.

Commissioner THOMPSON. Thank you, Senator.

Senator MONTROYA. We have been integrated in New Mexico since 1540. That is when Coronado first came there.

Senator STEVENS. I do have some additional questions I appreciate your letting me ask them.

#### LAW ENFORCEMENT PROGRAM

Why is there no increase requested for the law enforcement program when this is an area of increasing problems?

Commissioner THOMPSON. As you know the request for the fiscal year 1976 law enforcement program was based on the Indian Criminal Justice Survey and over \$2.4 million was appropriated to begin initial implementation. A program of this magnitude which represents a doubling of the previous funding level will require careful planning and implementation. This fiscal year 1976 appropriation did in fact include over \$2 million to enable tribes to develop law enforcement plans which could be used to develop budgets and programs in future years. The level program of fiscal year 1977 will permit the establish-

ment of a solid base from which future law enforcement programs can be developed based on the plans developed by tribes themselves.

Senator STEVENS. You say that crime prevention is being emphasized? Please provide some examples of such crime prevention measures.

Commissioner THOMPSON. The programs being implemented in fiscal year 1976 to 1977 for law enforcement will to the extent permissible by funding levels correspond to the minimum adequate level as described in the Indian Criminal Justice Survey (ICJS). This level is one that is expected to contain the problem on Indian reservations at manageable levels. To succeed in this objective it will be necessary to emphasize crime prevention to a greater extent than in the past. The funds for fiscal year 1976 and 1977 are being programmed based on factors such as population, acreage, and crime rates. This means that funding increases will go to locations that need them most and have the most serious problems.

The major emphasis in fiscal year 1976 and 1977 will be on enforcement activity. The increased funding will provide for more police patrols and quicker responses to calls for assistance. The increased patrols should prevent crimes which might have occurred if an officer had not been present. Quicker response will result in more criminals being apprehended and in turn prevent some future crime since much crime on Indian reservations is committed by repeat offenders. The increased training which an increased salary scale will attract and hold better qualified officers, will lead to improved performance which will in turn help to prevent crime. However, the greatest improvement in crime prevention can only come as the criminal justice system is operated at the exemplary level of the ICJS. This level calls for adding juvenile officers and probation and parole officers. When their functions are adequately staffed and operating the Bureau and tribes will be fully into crime prevention measures.

#### INDIAN EMPLOYMENT

Senator STEVENS. Your justification provides a breakdown by number of participants in each of your direct employment activities; namely, placement services (7,000 participants), on-the-job training (2,040 participants), and formalized vocational training (480 participants). How is the \$14.3 million you are requesting for your direct employment program to be allocated among those activities?

Commissioner THOMPSON. The \$14.3 million is allocated for placement services, \$12.1 million; and for on-the-job training, \$2.2 million.

Formalized vocational training is carried on at two residential family training centers at Bismark, N. Dak. and Madera, Calif. These centers are operated under contract with Indian organizations. The contracts are funded from the Aberdeen area and Sacramento area allocation, which is a part of the \$12.1 million allocated for placement services.

The total contract amount for the Bismark center is \$1.4 million and for Madera center is \$761,000.

Senator STEVENS. You note that a secondary benefit of your road construction program is the employment of Indians. Do you have figures indicating what percent of those employed in your road construction program are Indians?

Commissioner THOMPSON. On force account work, that is, inhouse construction contracts, which represents 43 percent of our road construction activity, there is 98 percent Indian labor. On contracts road construction, which represents 57 percent of our road construction activity, there is 7 to 8 percent Indian labor. The overall percentage of Indian labor is 46 percent.

#### BUDGET REQUEST

Senator MONTOYA. Mr. Commissioner, with adjustments for pending supplementals and the like, your total budget authority request is about \$6.8 million over fiscal year 1976. If we eliminate the Alaskan Native fund and the new budget authority request for road construction from the comparison, the total program increase is closer to \$20 million.

In view of the new Indian self-determination programs that are the Bureau's responsibility, do you consider the total 1977 request to be adequate?

Commissioner THOMPSON. Yes.

Senator MONTOYA. Have you right along thought that this was adequate, even when you were forming it?

Commissioner THOMPSON. We worked with the Department, with the administration. In the give and take that goes on in budget formulation, we feel—

Senator MONTOYA. Did you give more than you took?

Commissioner THOMPSON. In some items we have enjoyed—we are before the committee with about a \$32 million increase in the Self-Determination Act. We think that was a very good victory for the Indian community, and the Bureau.

Senator MONTOYA. At the expense of what other items?

Commissioner THOMPSON. That was a new budget item. I think in fairness, that probably the area where we are hurting is construction, very honestly. In the total overall budget balance, the fairly constrained Federal budget, I think we have come out very well. We have increases in all of our program areas except one.

Senator MONTOYA. The committee has tables reflecting the Bureau's budget development. It indicates the Department request to OMB was reduced by nearly \$100 million in budget authority.

What are some of the major programs that were requested but turned down?

Commissioner THOMPSON. Obviously, it would be construction, school construction.

Senator MONTOYA. How much?

Commissioner THOMPSON. I think we requested—one second, Mr. Chairman.

#### SCHOOL CONSTRUCTION

Senator MONTOYA. What kind of construction?

Commissioner THOMPSON. The majority of our construction was in school construction. We requested about \$100 million there. The irrigation construction, bridges and utilities, make up the rest. I think irrigation was about \$25 million in that total.

Senator MONTOYA. Did you get anything for your irrigation?

Commissioner THOMPSON. Yes. We have sufficient funds to carry on primarily the Navajo irrigation project through phase II.

Senator MONTOYA. What about the Indian Pueblos, did you submit a request for irrigation construction in the Indian Pueblos?

Why don't you submit a list of all of these requests and what they entail by way of specific construction items?

Commissioner THOMPSON. We would be pleased to, Mr. Chairman.

Senator MONTOYA. Will you supply for the record a breakdown by activity and subactivity of the amounts of the Department's request to OMB that were denied in other categories?

Commissioner THOMPSON. We will, Senator.

[The information follows:]

List of Irrigation Construction Requests and Justifications  
Originally Submitted to OMB

SUMMARY OF PROJECTS

	Total Estim. Cost	1977 Estimate	<u>Justification</u>
(a) Annual Contract Payments			
Fort Belknap.....	\$ 250,000	7,404	For payment of the 34th fixed annual contract installment due the Bureau of Reclamation for storage in Fresno Dam (No. 1-1-Ind-18725) 8-16-46.
Tongue River.....	360,750	9,750	For payment of the 36th fixed annual contract installment due the Tongue River Water Users Assoc., for storage Reservoir (Act of 8-11-39, Stat. 1411)
(b) Irrigation Construction and Rehabilitation			
<u>Arizona</u>			
Colorado River			
Irrigation.....	35,382,000	1,385,000	See detailed justification.
Power.....		623,000	" " "
Fort Apache		11,000	Rehabilitating diversion structure.
Papago Agency			
Chuichu.....		30,000	Well rehabilitation.
San Xavier.....		138,000	See detailed justification.
Vaiva Vo.....	1,414,000	200,000	" " "
Pima Agency			
Gila Crossing		50,000	Planning & Leveling
Maricopa Colony		50,000	Rehabilitation
San Carlos Project			
Indian works		972,000	See detailed justification
Irrig. joint works	31,000,000	640,000	" " "
Power		750,000	" " "
Salt River		335,500	
Truxton Canon-Camp Verde		21,500	Rehabilitation
<u>California</u>			
Pala.....	596,000	33,000	For constructing distribution facilities from a new well.
Rincon.....	504,000	33,000	For equipment for a new well.
Morongo.....		123,000	See detailed justification
Bishop.....		50,000	Rehabilitation.
Big Pine.....		50,000	"
Lone Pine.....		50,000	"
<u>Idaho</u>			
Michaud Project (Fort Hall).....	10,087,000	420,000	See detailed justification

## SUMMARY OF PROJECTS

	Total Estim. Cost	Estimate	Justification
<u>Montana</u>			
Blackfoot.....		95,000	See detailed justification
Crow.....	2,618,800	135,000	" " "
Fort Peck.....		507,000	" " "
Fort Belknap.....		45,596	For rehabilitation of deteriorated distribution system.
Tongue River.....		9,250	For rehabilitating canals and laterals.
Flathead Project			
Power.....		222,000	See detailed justification
<u>Nevada</u>			
Eastern Nevada Agency			
Duck Valley.....		300,000	See detailed justification
Duck Water.....		403,600	" " "
Goshute.....		89,000	" " "
South Fork.....		303,000	" " "
Western Nevada Agency			
Yerrington.....		200,000	See detailed justification
Yomba.....		200,000	" " "
<u>New Mexico</u>			
Jicarilla		100,000	" " "
Navajo Hogback		427,000	" " "
Navajo-Project	324,713,000	22,000,000	" " "
No. Pueblos...	7,260,000	522,000	" " "
So. Pueblos...		370,000	" " "
So. Ute.....		25,000	Development of miscel- laneous irrigation units.
Zuni Pueblo...		200,000	See detailed justification
<u>Utah</u>			
Uintah & Ouray		423,300	" " "
<u>Wyoming</u>			
Wind River....	5,424,000	45,000	For rehabilitation of canals and laterals.
(c) Surveys, Investigations and plans.....		970,000	See detailed justification
(d) Engineering and supervision		1,378,900	See detailed justification
Total Estimate		34,952,800	

The irrigation and power projects for which funds in excess of \$50,000 have been requested and for which detailed justifications have been prepared are as follows:

Arizona

COLORADO RIVER PROJECT, \$2,008,000. The funds requested provide \$1,385,000 for irrigation construction and \$623,000 for construction and rehabilitation of the related power systems.

Irrigation Construction, \$1,385,000. The Colorado River irrigation project is one of the largest and potentially the most productive of the irrigation projects under the Bureau of Indian Affairs. Adequate water for the project's potentially irrigable area of 105,000 acres was assured in the decree issued by the Supreme Court in the case of Arizona vs. California. Extension of the project lateral system is essential if the Colorado River Indian people are to realize the income potential of the reservation area for which they have decreed water. The Colorado River Tribe desperately needs this program to continue its progress toward economic self-sufficiency. The entire economy of the reservation, except for relatively minor recreational development, is based on the agricultural-business complex growing from

the direct use of the water-right resource. This growth, with accompanying cash income and job opportunities has been significant. Of the Indian people employed on the reservation, approximately 59 percent are working on jobs related to agriculture and its development.

The features of work and estimated costs under this item are as follows:

Main Canal - Rehabilitation	\$ 450,000
Main Canal - Concrete Canal Lining	935,000
	<hr/>
TOTAL	\$1,385,000

Power System Construction and Rehabilitation, \$623,000. The power system of the Colorado River Indian irrigation project serves 2,189 customers which number includes commercial, agriculture, and government customers. The power demand brought on by irrigation development on the reservation and by recreation, homesite, and industrial development has increased steadily at the rate of about 16 percent per year. During the last five years the active customer accounts have more than doubled. With this continuing load growth sections of the system have reached or exceeded their capacity, causing voltage drops which adversely affect customer service. The deficiencies were brought out in the 1967 power system study and report by R. W. Beck and Associates. The Beck report is being used as a guide for reorganizing, rehabilitating, upgrading, and extending the power system to keep pace with the growing economy in the area.

The proposed program for fiscal year 1977 will permit the continuation of work relieving the existing overload and will provide capacity needed to serve power customers adequately. The planned construction will promote the growth and success of enterprises which will benefit the Colorado River Indian Tribe. All funds advanced under this request will be repaid from power revenues collected from the sale of electrical energy. All funds appropriated prior to the 1965 fiscal year were repaid to the United States Treasury as of June 30, 1965.

The proposed work for the power system for the fiscal year 1977 is as follows:

The features of work and estimated costs under this item are as follows:

Construct 69 KV transmission line extension.	\$ 133,000
Construct Fish Farm substation	<hr/> 490,000
TOTAL	\$ 623,000

SAN CARLOS IRRIGATION PROJECT, \$2,362,000. The funds requested provide for \$972,000 rehabilitation and extension of irrigation facilities on the Indian portion of the project and certain preconstruction activities, \$640,000 for construction and rehabilitation of facilities of the joint works and \$750,000 for power system construction.

The San Carlos irrigation project was authorized by the Act of June 7, 1924, and is designed to irrigate 100,546 acres of land of which 50,546 acres are on the Gila River Indian Reservation and 50,000 acres within the non-Indian San Carlos Irrigation and Drainage District. All of the non-Indian lands and 41,000 acres of the Indian land have been prepared for irrigated farming.

Irrigation Rehabilitation and Construction - Indian Works, \$972,000. The funds requested for fiscal year 1977 will be used to rehabilitate and extend canals and laterals serving the Indian lands of the Gila River Indian Reservation.

Joint Works Irrigation Construction and Rehabilitation, \$640,000. The flow of the Gila River is very erratic causing the project water supply to be unreliable. More than 120 wells have been drilled to supplement the river supply. In some years not more than 50 percent of the land can be farmed because of water shortages. Continuing severe drought conditions on the watershed of the Gila River have increased the need for pumping. The result has been a steadily declining groundwater table causing numerous wells to fail. New wells must be drilled to replace those that have failed and others must be deepened as the water table falls. Deepening requires additional well casing, column pipe assembly, larger electric meters, transformers, and protective equipment.

The irrigation construction work proposed for fiscal year 1977 is as follows:

Rehabilitation of Irrigation wells	\$320,000
Rehabilitation of Irrigation carriage system	<u>320,000</u>
TOTAL	\$640,000

Power System Construction and Rehabilitation \$750,000. The power system was designed and constructed primarily for pumping purposes. It now serves more than 5,800 customers and distributes more than 150,000,000 kilowatt hours of electric energy per annum. The system consists of two generating plants, 180 miles of high voltage transmission lines, 800 miles of distribution lines, and 22 substations.

Construct new lines and facilities to serve new customers; purchase distribution transformers and metering equipment	\$550,000
Construction - Hayden & Coolidge Substation	<u>200,000</u>
TOTAL	\$750,000

SALT RIVER PROJECT, \$335,500. This project is located on the Salt River near Phoenix, Arizona and has 9,300 acres of assessable irrigated land.

The features of work proposed for fiscal year 1977 are as follows:

Rehabilitation of Canals and structures	\$105,500
Drill and equip one deep irrigation well	125,000
Concrete Canal lining	<u>105,000</u>
TOTAL	\$335,500

SAN XAVIER IRRIGATION PROJECT, \$138,000. This project is located on the San Xavier Indian Reservation just south of Tucson, Arizona. It serves 1,173 acres of land. The Papago Indians on this reservation began farming by irrigation about the year 1732 under the supervision of Spanish padres, using water diverted from the Santa Cruz River. The river channels began to degrade about 1876 and diversion from the river became impractical. In 1915 three wells were drilled for irrigation. Irrigation water is presently furnished by nine wells.

Pumping of the underground strata for commercial and municipal purposes has lowered the water table under the project. The wells need to be deepened and properly equipped for the increased lift to maintain the required water supply.

The San Xavier Irrigation Project has an adequate supply of underground water but the wells and equipment under present conditions have the capacity to furnish an adequate water supply for only 600 acres. The San Xavier Indian Farm Corporation is farming 1,120 acres on a rotation system to best use the available supply.

Rehabilitation and Betterment - \$138,000.

Work proposed for F.Y. 1977 is as follows:

Rehabilitation of irrigation wells	\$138,000
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VAIVA VO IRRIGATION PROJECT, \$200,000. This project is a feature of the Santa Rosa Wash Multiple-Purpose Project, Papago Indian Reservation, Arizona, authorized by the Flood Control Act of October 27, 1965 (79 Stat. 1073).

The construction by the Corps of Engineers of the Tat-Momolikot Dam and St. Clair Reservoir on the Santa Rosa Wash will control, regulate, and store floodflows originating on 1,750 square miles of watershed of the Santa Rosa, Jackrabbit, and Kohatk Washes, which have their confluence immediately above the damsite.

The Bureau of Indian Affairs is responsible for the construction of the Vaiva Vo irrigation project which is estimated to cost \$1,414,000 (based on 1962 prices). The project will provide facilities for use of the stored waters for the irrigation of 1,640 acres of land within the Papago Indian Reservation. The work of this Bureau is being coordinated with the work of the Corps of Engineers. Work began on both the Santa Rosa Project and Vaiva Vo Project in fiscal year 1974.

The Corps of Engineers completed construction of the Tat-Momolikot Dam and St. Clair Reservoir on the Santa Rosa Wash in June 1974. Construction of the irrigation facilities began in F.Y. 1974.

California

MORONGO PROJECT, \$123,000. The Morongo Reservation is located about 15 miles northwest of Palm Springs, California. The work involved is the rehabilitation of irrigation facilities.

Idaho

MICHAUD UNIT, \$420,000. This project was authorized under the Act of August 31, 1954 (68 Stat. 1026). The construction was started in the fiscal year 1957 with

an appropriation of \$500,000 and has continued each year since as funds were made available. This unit of the Fort Hall project will irrigate 21,000 acres of excellent land (20,195 acres Indian owned and 805 acres non-Indian owned) lying between the cities of Pocatello and American Falls. The water supply for the unit is derived from stored water in American Falls and Palisades Reservoirs constructed by the Bureau of Reclamation. However, the water actually used is pumped from the Portneuf River in exchange for the stored water. A series of wells will also provide underground water to supplement the water pumped from the river.

The proposed work for the fiscal year 1977 is to equip 10 deep wells.

#### Montana

BLACKFEET PROJECT, \$95,000. The Two Medicine Canal serves approximately 28,000 acres in the Two Medicine unit of the project. In order to supply sufficient water, the capacity of the canal must be maintained at 500 cubic feet per second (cfs) of water. At the present time, because of restrictions in the canal, the capacity is below the amount required. The funds will be used to continue the enlargement of the canal to the required capacity.

For canal and lateral structures of the Two Medicine Distribution System	\$ 95,000
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CROW, \$135,000. The Crow irrigation project consists of seven irrigation units. Three of the units have working agreements with private ditch and drainage districts or associations. Construction work authorized under the Act of June 28, 1946 (60 Stat. 333) is included in the conditions set forth in current contracts with the three irrigation districts. The work proposed for the fiscal year 1975 is the continuation of rehabilitation work and extension of the distribution systems serving these units prior to the takeover of the operation and maintenance programs of these units by the districts involved. The work includes the rehabilitation of diversion dams, canals, laterals, and structures.

FORT PECK PROJECT \$507,000. This project is located in northeastern Montana and was authorized by the Act of May 20, 1908 (35 Stat. 558). Construction was started in 1909 and continued as funds were made available and the need for additional farm land arose. The project originally consisted of five separate irrigation units. Three units are no longer in operation. The two operating units, which embrace an ultimate irrigable area of 24,623 acres, are the Wiota (Big Porcupine) Unit and the Frazer-Wolf Point Unit. Of the ultimate irrigable area, 24,623 acres, facilities have been constructed to serve 15,520 acres.

The basic industry on the reservation is livestock production. In order to meet the demand for winter feed there is an urgent need to extend irrigation facilities to certain of the lands not now irrigated and to rebuild and replace deteriorated irrigation facilities to certain of the other lands not now irrigated because of the need for rehabilitation.

The construction and rehabilitation work for this project is nearing completion. The program for the fiscal year 1977 is:

Canal Lining and related structures, Wiota Canal	\$507,000
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FLATHEAD PROJECT, \$222,000. The power system on the Flathead Indian Reservation is now serving approximately 7,900 customers. The expansion of the Flathead Lake and Arlee areas are adding over 150 accounts per year. In order to meet this load growth, it will be necessary to increase sub-station capacity as well as increase the number and size of distribution transformers.

#### Nevada

DUCK VALLEY PROJECT, \$300,000. The Duck Valley irrigation project is within the Duck Valley Indian Reservation, which is located on the Nevada-Idaho State line with portions of the reservation lying in both states. This region is primarily stock-raising country where the irrigated base properties are used to produce forage crops for winter livestock feed. Since about 1874 these hay crops have been the most important crop produced and there is every indication that hay production will continue to play a very important role in the economy of the reservation.

The project embraces 12,000 acres of which 11,045 acres are irrigated, in production, and are totally used by tribal members. Of the irrigated land, 4,700 acres have been developed to modern high standards of land development. Much of the unimproved irrigated land is still irrigated by sloughs and meandering small ditches used back in the days when the irrigation water sources were from natural flooding of the Owehe River. The main and firm source of water is from the normal flow of the East Fork of the Owehe River and from storage at Wildhorse Dam. These two sources will provide an adequate supply of water for the 12,000 acres when fully developed.

The features of work proposed for fiscal year 1977 are as follows:

Construct 5 miles of canals and laterals with necessary structures	\$ 75,000
Clearing and leveling, construction of farm ditches, and establishment of first crop	<u>225,000</u>
TOTAL	\$300,000

DUCKWATER PROJECT, \$403,600. The Duckwater Indian Reservation is located in eastern Nevada about 75 miles southwest of the town of Ely, and is comprised of 3,785 acres of land purchased in 1940 and 1944 for the use of Indians in that area. The irrigation facilities on the reservation are primarily those that have been constructed since the land was acquired. The principal use has been for alfalfa, native hay and irrigated pasture. The work involved includes rehabilitation of irrigation facilities and installation of pipe lines to reduce excessive water losses.

GOSHUTE PROJECT, \$89,000. The Goshute Indian Reservation is divided by the Nevada-Utah border. The Nevada portion is located 90 miles northeast of Ely, Nevada, and the Utah portion is 70 miles south of Wendover, Utah. Irrigation by Indians dates back to at least 1900, but the existing irrigation facilities were constructed in the late 1930's and early 1940's. The rehabilitation and betterment program will provide the needed irrigation servicing approximately 820 acres and will extend the irrigation distribution system to include an additional 180 acres.

SOUTHFORK PROJECT, \$303,000. The Southfork (Temoak) Indian Reservation is located on the South Fork of the Humboldt River approximately 28 miles southwest of Elko, Nevada. It is a composite of four ranches purchased for the Indians during the 1930's. The land has been irrigated to some extent for over 100 years with gradual improvement and extension of the system to irrigate 4,074 acres. The work involved will include rehabilitation of existing ditches and reconstruction of 6 diversion structures.

YERRINGTON PROJECT, \$200,000. The Yerrington Indian Reservation is located about 35 miles southeast of Carson City, Nevada. The irrigation facilities were originally constructed as part of the facilities of an Indian school at that location. The work involved is the rehabilitation of the irrigation system.

YOMBA IRRIGATION PROJECT, \$200,000. The Yomba Project lies within the Yomba Indian Reservation located some 45 miles south of Austin, Nevada. The project serves 2,044 acres which are farmed by members of the Tribe. The project receives its water from the Reese River and is produced mainly from mountain snowpacks. Forage crops are the only crops grown and are used to winter livestock. The farmlands are commensurate base holdings required to produce 2 months of feed as a part of the year-long livestock program on public lands. Project facilities were constructed by the former owners and are substandard and in need of major repairs.

Funds for Fiscal Year 1977 will be used to continue rehabilitation of canals and laterals.

#### New Mexico

HOGBACK PROJECT, \$427,000. This project embracing 9,614 acres is the largest and most important of the existing projects or units on the Navajo reservation. A dependable water supply is obtained from the San Juan River. When this project is fully developed, it will provide 250 farm units and support approximately 2,000 Navajo Indian people.

The Act of July 12, 1960 (74 Stat. 470) authorized the Secretary of the Interior to transfer all irrigation units on the Navajo Reservation to the Navajo Tribe. Under an agreement made pursuant to this Act by and between the Secretary of the Interior and the Navajo Tribe, the tribe accepted the responsibility for operation and maintenance of all completed portions of the Hogback Unit. This unit should be completed at the earliest possible time in accordance with the agreement.

JICARILLA PROJECT, \$100,000. This project is located on the Jicarilla Reservation in northern New Mexico. The work involved is the development of irrigation wells.

NAVAJO INDIAN IRRIGATION PROJECT, \$22,038,000<sup>1/</sup>Work Proposed

Pumping Plants, \$40,000. Provides for collection of field design data.

Canals, \$10,300,000. Construction of the Main Canal Mi. 41.8 - 46.2 and on 14.5 of the Gravity Main Canal. A contract will be awarded for construction of the Amarillo Canal Mi. 0.0 - 11.2 which will provide water to Block 3 lands. Contract payments for maintenance of the natural gas engine-driven pumping units and power generators for Block 1 lands will be continued. Contract will be awarded for constructing pipelines to furnish gas for natural gas engine-driven pumping units for Block 3. Various contracts for relocation and modification of oil and natural gas pipelines and utility lines crossing right-of-way will also be executed.

Laterals, \$7,353,000. Construction of the closed pressure pipe distribution system to provide water for irrigating Block 2 lands will be completed. Contracts will be awarded for construction of the distribution system for water delivery to Block 3 and 4 lands. A contract will be awarded to furnish and install the electric motor-driven pumping units for Block 4. Various contracts for relocation and modification 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, \$200,000. Relocation of various oil and natural gas pipelines and collection of field design data will continue.

Navajo Dam Powerplant, \$3,400,000. The electric power requirements for operation of the Project pumping facilities will be fulfilled in part by a 23,000-kw hydroelectric powerplant at Navajo Dam. Construction of the powerplant will continue as well as progress payments on supply contracts for furnishing two turbines, the generators, governors, and the generator bus structure complete with station service transformers. The electrical completion contract will be awarded.

Power Transmission System, \$700,000. The Project's power transmission system will transmit electric power from the power source to pumping facilities. Construction will continue on the Navajo Dam Powerplant Switchyard, which will be constructed under the same specifications as the powerplant. Progress payments will be made on the contract for furnishing two transformers to be installed in the switchyard. A contract will be awarded to construct the first section of power facilities which includes 29.0 miles of 230-kV, 40.9 miles of 115-kV, and 13.4 miles of 34.5-kV transmission line and substations to serve Blocks 4 and 5 and the Kutz Pumping Plant.

Other Project Costs, \$45,000. Represents costs for custodial Operation and Maintenance of completed project facilities.

<sup>1/</sup> Includes a non-Federal advance of \$38,000 in fiscal year 1977 from El Paso Natural Gas Company to cover additional costs due to change in the Main Canal alignment to accommodate the company's pipeline facilities.

## PROJECT DATA SHEET

FD-66 (6-25)  
Bureau of Reclamation

REGION Southwest

Project and State

NAVAJO INDIAN IRRIGATION PROJECT, NEW MEXICO - BLA

AUTHORIZATION Public Law 87-483, June 13, 1962, Amended September 25, 1970.

Public Law 91-416

LAND CERTIFICATION None required

DEFINITE PLAN REPORT

None required

Completion Date

1987 1/

% Complete

27

Date

6-30-75  
Date  
March, 1975

SUMMARIZED FINANCIAL DATA		AMOUNTS PER ACRE	
Total Federal Obligations (Reclamation)	\$ 86,398,385	Irrig. Invest. per Acre \$	124,323.615
Total Federal Obligations (Other)	22,800,000	Repayment of Invest-	
Net Property and Other Transfers	2,346,000	ment per Acre:	
Cash Advances--Non-Federal	220,000	By Irrigators \$	
Adjustment (Refund/Advance)	-766,000	By Power Revenues \$	
Total to be Allocated	\$ 323,947,000	By M & I Water Users	
ALLOCATIONS <u>4/</u>		AMOUNTS PER ACRE	
Irrigation	\$ 323,947,000	Repayment of Invest-	
Flood		ment per Acre:	
M & I Water		By Irrigators \$	
Recreation		By Power Revenues \$	
F & WL		By M & I Water Users	
Flood Control			
Other			
Total	\$ 323,947,000	Total \$	
		Total	\$ 323,947,000

STATUS OF REPAYMENT CONTRACT: A form of contract between the United States, represented by the Bureau of Indian Affairs and the Bureau of Reclamation, and the Navajo Tribe of Indians, which provides for the collection of construction costs so long as the benefited lands are in Indian ownership, is under study.

STATUS OF ENVIRONMENTAL IMPACT STATEMENTS: Projectwide - scheduled to Council on Environmental Quality - draft September 13, 1975, final July 1976.

DESCRIPTION: This project is located in Rio Arriba and San Juan Counties in northwestern New Mexico. The project plan of development provides for placing a total of 110,630 acres under irrigation. The project plan will provide a livelihood for an estimated 6,550 Navajo families as farm operators, custom laborers and employees in related service activities, thus providing a higher standard of living for more than 33,000 Navajo Indians. The project also will provide a power supply of 23,000 kilowatts, primarily for operation of the project's pumping facilities. Included in the total cost is \$9,290 for 310 acres of lands for right-of-way at an average cost of \$18 per acre. Approximately 52 percent has been acquired.

PROJECT DATA SHEET--2  
Navajo Indian Irrigation Project, New Mexico

Included in the total cost is \$404,000 for acquisition of 14,073 acres of privately-owned patented lands susceptible to irrigation lying adjacent to the Navajo Indian Reservation to increase the project area at an average cost of approximately \$29 per acre, of which 89 percent has been acquired. Approximately 23 percent of the relocation work has been accomplished. The project lands are presently capable of providing only very poor grazing for livestock. When adapted to irrigation, they will be well suited for producing small grains, hay forage crops, vegetables, and fruits.

OTHER INFORMATION: Funds to initiate preconstruction planning for the Navajo Indian Irrigation Project were transferred to the Bureau of Reclamation in fiscal year 1963 out of Bureau of Indian Affairs' fiscal year 1963 appropriations. Funds to initiate construction on the Navajo Indian Irrigation Project were appropriated in fiscal year 1966. The plan of development anticipates an all sprinkler irrigation system.

Footnotes:

- 1/ Initial water service will start in March 1976 with water available to 9,300 acres.
- 2/ No change from FY 1976 Budget Justifications. Increased project costs have been offset by increased benefits.
- 3/ Represents construction of roads and bridges funded from the Road Construction appropriation. Amount shown is based on amounts bid for pay items for construction of roads and bridges under contract awarded January 29, 1976, plus estimated costs for construction supervision.
- 4/ Change in allocations and repayment from FY 1976 Budget Justifications:

	1976	1977
	<u>Estimate</u>	<u>Estimate</u>
Irrigation.....	\$ 303,580,000	\$ 323,947,000

The increase of \$20,367,000 reflects cost indexing.

NORTHERN PUEBLOS, \$522,000. The work for the Northern Pueblos for the fiscal year 1977 and the projects or pueblos involved are as follows.

Nambe Pueblo

Canal lining \$90,000

San Juan Pueblo

Farm development including farm ditches  
on Indian land of the Ilano Tributary  
Irrigation Unit \$232,000

Tesuque Pueblo

Rehabilitate storage reservoir,  
replace and expand infiltration system  
and rehabilitate 2 miles of main canal  
and structure \$200,000

TOTAL \$522,000

SOUTHERN PUEBLOS, \$370,000. The work proposed for the Southern Pueblos for the fiscal year 1977 and the projects or pueblos involved are as follows:

Acoma Pueblo

Canal lining \$ 30,000

Jemez Pueblo

Canal lining 30,000

Zia Pueblo

Canal lining 60,000

Isleta Pueblo

Land subjugation, 400 acres 100,000

Laguna Pueblo

Rehabilitation 150,000

TOTAL \$370,000

ZUNI, \$200,000. The Zuni irrigation project consists of five separate units ranging in size from 100 acres at Tekapo to 1,600 acres at the Zuni unit. Ultimate development of these units is limited by the available water supply. There are 4,727 acres of irrigable land under the present irrigation system. Preliminary hydrology studies indicate there is enough water available to irrigate 3,000 acres, provided adequate storage facilities and distribution systems are constructed.

A recent study by the U.S. Bureau of Reclamation indicates that under maximum probable flood conditions, the storage dams upstream of the Zuni Village are not safe. If a maximum probable flood occurred, it would cause a disaster such as that which occurred in the early 1960's on the Blackfeet Reservation in Montana. This would result in loss of life, property damages in the Zuni Village and property damage to the Zuni Reservation lands. Future planning outlined in the Zuni Comprehensive Development Plan includes development of residential, industrial, and commercial investments in and around the Zuni village, which would also be endangered.

The irrigation program for the fiscal year 1977 is:

Continuation of the program for the correction of structural deficiencies as disclosed by the recent Bureau of Reclamation study, . \$125,000	\$125,000
Develop Pescado Spring	\$20,000
Concrete Canal lining	<u>55,000</u>
TOTAL	\$200,000

UTAH

UINTAH AND OURAY PROJECT, \$423,300. This project, located in northeastern Utah, was authorized by the Act of June 21, 1906 (34 Stat. 375). Construction of the project was initiated in 1906 and substantially completed by 1922. There are 78,950 acres of land with water rights included in the project. About 30 percent of the project area is affected by inadequate surface or sub-surface drainage. A drainage construction and rehabilitation program is needed to relieve this situation in order to maintain the productivity of the land and/or bring back into production lands that are now temporarily non-assessable because of drainage problems.

This feature of work and estimated cost will provide for:

Major structure repair, canal realignment, and structure replacement...\$423,300.

Surveys, Investigations, and Plans, \$970,000. This item represents the amount required for continuation of surveys, investigations, studies, and plans for the preparation of Feasibility, Completion (Definite Plan), and Rehabilitation and Betterment Reports to be made of all existing Indian irrigation projects under the jurisdiction of the Bureau of Indian Affairs. This work is necessary in order to establish a program for completing existing Indian irrigation projects presently authorized, developing additional Indian irrigation resources, and for the rehabilitation and betterment of existing irrigation works with a view to transferring the operation and maintenance of the completed projects from the Government to acceptable water user organizations. This item also provides funds for studies covering the safety of dams, studies of Pueblo lands included in the tributary units of the authorized San Juan-Chama Trans Mountain Diversion Project, studies relating to Ute Indian lands included within the Central Utah Project, and studies for improvement of project power systems.

Engineering and Supervision, \$1,378,900. This item represents the amount required to pay salaries, office, rent, travel expenses, and miscellaneous expenses incidental to executing the irrigation program proposed for the fiscal year 1977. Staff employees engaged in irrigation activities are located in Phoenix, Arizona; Billings, Montana; Portland, Oregon; Sacramento, California; Albuquerque, New Mexico; Window Rock, Arizona and the Washington Central Office.

## CONSTRUCTION PROJECTS

Breakout of Construction projects which were denied by OMB.

*Chevak Elementary Day School, Alaska	\$ <u>252,400</u>
*Alakanuk Elementary Day School, Alaska	<u>1,947,600</u>
*Jemez Elementary Day School, New Mexico	<u>2,420,000</u>
*Mckoryuk Elementary Day School, Alaska	<u>2,000,000</u>
Lower Brule High School, South Dakota (Phase I)	<u>2,000,000</u>
**Chitimacha Elementary Day School, Louisiana	<u>1,200,000</u>
Little Wound (Kyle) High School, South Dakota	<u>4,300,000</u>
<u>KINDERGARTENS &amp; QUARTERS:</u>	<u>\$1,200,000</u>
Mt. Village, Alaska	
Tuluksak, Alaska	
Seba Dalkai, Arizona	
Kaibeto, Arizona	
Hicki wen, Arizona	
Kohath (Jack rabbit), Arizona	
Nenahnezad, New Mexico	
Taos, New Mexico	
<u>PLANNING &amp; DESIGN:</u>	\$ <u>359,000</u>
Albuquerque Indian School, New Mexico	302,000
Lower Brule High School (Phase II), South Dakota	57,000
<u>DEFERRED EQUIPMENT:</u>	<u>\$2,925,000</u>
St. Michaels, Alaska	96,000
Santa Rosa, Arizona	155,000
Sherman Indian School, California	210,000
Fort Yates High School, North Dakota	800,000
Haskell Indian Jr. College, Kansas	603,000
Riverside Indian School, Oklahoma	446,000
Kindergarten (Bureau-wide)	250,000
Dormitory Replacement, (Bureau-wide)	365,000

\*included in FY 1977 justification

\*\*add-on FY 1976

IRRIGATION CONSTRUCTION

Tongue River, Montana	9,750
Colorado River Irrigation, Ariz. Irrig.	\$ 935,000
Power	490,000
San Xavier, Ariz.	50,000
San Carlos, Ariz. Indian Works	472,000
Joint Works	290,000
Power	250,000
Salt River, Ariz.	105,000
Pala, Calif.	3,000
Rincon, Calif.	3,000
Morongo, Calif.	11,000
Bishop, Calif.	50,000
Big Pine, Calif.	50,000
Lone Pine, Calif.	50,000
Michard Project, Idaho	45,000
Blackfeet, Montana	9,000
Crow, Montana	12,000
Fort Peck, Montana	319,000
Fort Belknap, Montana	3,000
Tongue River, Montana	7,750
Flathead Project, Montana (Power)	20,000
Duck Water, Nevada	403,000
Jicarilla, New Mexico	100,000
Navajo-Hogback, New Mexico	118,000
Northern Pueblos, New Mexico	437,000
Southern Pueblos, New Mexico	265,000

IRRAWADDY CONSTRUCTION

Southern Ute, New Mexico	\$ 10,000
Zuni Pueblo, New Mexico	105,000
Uinazah and Ouray, Utah	93,300
Wind River, Wyoming	6,000
Engineering and Supervision	190,000
Surveys, Investigations and Plans	<u>455,000</u>
	\$5,367,400

## TRIBAL PRIORITIES

Senator MONTROYA. The use of tribal priorities in your budget development is mentioned in your statement and secondly in the justifications. Tell us how these tribal priorities are developed.

Commissioner THOMPSON. We have developed a system about 3 years ago where we tried to obtain greater Indian tribal involvement in the budget process. This comes about in a series of meetings by having Indian people review the budgets of the agency on a program-by-program basis, yet try to elicit their priorities for funding among the various programs on an increased, slight decrease basis to try to elicit their priorities.

Senator MONTROYA. What do you do? Tell them this is how much money we think we will have? How will we spend it? These are the items that we are considering and now you are establishing priorities? Give us your thinking on priorities of social services and construction. Does that work pretty well?

Commissioner THOMPSON. I believe it works very well, Senator. We are getting a lot of interest in the budget process. We are getting much more familiar, if I may, more in tune with some of the budget cycles. I think Indian people and people in general when they see the need expect both the administration and Congress to fund the need tomorrow. And they develop a greater appreciation for the long arduous process that a budget must go through to get to reality. I think that is helpful as well as, of course, reflecting the needs a little better.

Senator MONTROYA. Generally, what major changes in budget emphasis resulted from the tribal priorities?

Commissioner THOMPSON. The largest emphasis has probably come in putting a greater dollar resource to the trust functions, the trust responsibilities of the Bureau.

Senator MONTROYA. Like what?

Commissioner THOMPSON. Water inventories, boundary surveys, pressing in some instances for litigation on key Indian issues.

## WATER LITIGATION

Senator MONTROYA. Would you list how much money you are spending on those issues on water litigation?

Commissioner THOMPSON. We would be pleased to, Senator.

Senator MONTROYA. Can you tell me off the top of your head?

Commissioner THOMPSON. I think we have a rough figure.

Mr. SENECA. We are using approximately \$2.5 million annually.

Senator MONTROYA. A year? How do you spend that money?

Mr. SENECA. Senator, when water litigation is initiated there are several phases that it must go through. No. 1, under the Winters Doctrine you have to determine what the annual acreages are at a given Indian reservation. Effort has to go through for soil surveys and soil studies to determine the classifications of land.

Senator MONTROYA. Don't you do that all the time?

Mr. SENECA. No, we don't do that all the time from the standpoint of the extent of the classification study. After the classifications are made then there have to be river studies made to determine the amount of water that comes down a given stream.

Senator MONTROYA. Don't you have those studies from the State engineer's office in the different States?

Mr. SENECA. We have a number of studies that have been done in different times in the history of the State, Senator. The amount of water that comes down that river is changing from time to time because of the diversions that are going on.

#### ATTORNEYS FEES

Senator MONTROYA. How much money do you spend on attorneys' fees out of that \$2.5 million?

Mr. SENECA. There have only been a very few instances where there have been attorneys' fees that have been contracted. With a particular Indian tribe in the State of New Mexico we do have a contract with a firm that represents four Pueblos in the Aamodt case.

Senator MONTROYA. How much in attorneys' fees are they getting?

Mr. SENECA. I think their budget is somewhere around \$70,000 to \$80,000 annually for that litigation.

Senator MONTROYA. Give me a breakdown of what expenditures.

Mr. SENECA. We will do that.

[The information follows:]

#### ATTORNEY FEES

Attorney fees spent up to January 15 in the Aamodt case:

Fiscal year 1974	\$35,786.14
Fiscal year 1975	63,741.85
Fiscal year 1976	27,324.72
Total	126,870.71

#### RIGHTS PROTECTION

Senator MONTROYA. Are you putting down for \$2½ million next year?

Mr. SENECA. Our total rights protection budget this year, Senator, is approximately \$6,636,000.

Senator MONTROYA. In what?

Mr. SENECA. Rights protection. That includes all of our rights issues. Water rights, hunting and fishing rights, water inventories, all of the activities that we would carry on as trustee in protecting Indian natural resources.

Senator MONTROYA. How does that compare with previous years?

Mr. SENECA. It is an increase. This year there is an increase of \$1.8 million over fiscal year 1976.

Senator MONTROYA. You are increasing it \$1,870,000?

Mr. SENECA. That is right.

Senator MONTROYA. How detailed is the breakdown by location of the fiscal year 1977 budget estimates that is distributed to the field and made available to the tribes?

Commissioner THOMPSON. The budget estimates for fiscal year 1977 are distributed to all locations with copies going directly to the tribal chairman. Funds are by line item identical to their input on the band analysis. Tentative amounts are shown for each area with a breakdown to the area office and each agency under that jurisdiction.

## COST OF TRIBAL PRIORITY PROGRAM

Senator MONTROYA. What is this tribal priority program costing the BIA in terms of dollars and personnel? It would seem to be a costly operation.

Commissioner THOMPSON. The tribal priority process is conducted as a part of the total Bureau budget formulation process. Data on the dollar and personnel costs of the priority process are not separately maintained by the Bureau. To maintain them separately would be very costly because of difficulties in recording charges as they occur. We are requesting \$3,532,000 in fiscal year 1977 for program planning and development. About 110 man-years of BIA personnel are included in that item. This item funds the bureauwide program planning and budget formulation effort, including the tribal priority process. I would estimate that 15 to 20 percent of the total costs of program planning and development are attributable to the priority process. That would come to \$530,000-\$706,000 and 17-22 man-years of personnel. Considering that the process has really stimulated tribal participation in the development of the Bureau's budget, we think it is money well spent.

## SELF-DETERMINATION SERVICES

Senator MONTROYA. You indicated that you were increasing the budget by \$32.8 million for self-determination purposes. To what extent might this funding help achieve the goal of having tribes operate their own programs?

Commissioner THOMPSON. We made out three efforts, Senator, to begin that process. You know this is the first full year of operations. We have got the regulations behind us. We have had a series of training sessions in the Indian country. We think that the money that we are requesting will launch that effort. It will put us in the basis of launching the self-determination effort fairly successfully. Of course now it is up to the tribes that are interested in coming forward—we now have the tools to work with.

Senator MONTROYA. How are you going to spend this \$32 million?

Commissioner THOMPSON. It is broken out in the following areas.

Senator MONTROYA. Mention some of the areas. Then give me a detailed accounting for the record.

Commissioner THOMPSON. OK. Basically, we have three main areas. Self-determination grants, which are grants to Indian organizations to allow them to plan for the eventual takeover of the program—in other words, it is the preplanning area that goes for part of the contract.

Senator MONTROYA. What kind of programs will there be for eventual takeover?

Commissioner THOMPSON. More than likely, in the community social services area relating to housing, social services, educational services.

The second area is training and technical assistance for both the Bureau and Indian people in contract administration, contract development, contract operation.

The third item is general contract support to cover those unique areas where we have multiple tribes in an agency being serviced, but with one agency, one tribe wishing to contract. There is some

ripple effect in budget items that need to be increased slightly to cover the other two tribes.

That is it very roughly. We would be pleased to submit more information on this.

[The information follows:]

#### BUDGET DETAIL ON SELF-DETERMINATION SERVICES

The 1977 fiscal year will be the first full year of operations for Public Law 93-638. The increase represents a full year's cost of operations for all three components: grants, training and technical assistance plus contract support and provision of general support Bureau-wide.

Self-determination grants requested for fiscal year 1977 amount to \$17,160,000. Most of these funds will be shared in by tribes based on a formula which takes into account tribal population and economies of scale. Tribes will be expected to make application for their share to be used for self-determination projects having a direct relationship to improving tribal governments. Incentive grants will be available to small tribes which combine with others for self-determination projects.

Training and technical assistance amounting to \$4.6 million will be required by both tribes and Bureau staff to competently carry out the intent of the Self-Determination Act. An additional staff will be required to administer the provisions of Public Law 93-638 and provide certain special training and technical assistance. The contract support of overhead and indirect costs will be continued at \$11.3 million.

The following table gives the budget breakdown by fiscal year and function:

#### PUBLIC LAW 93-638 SELF-DETERMINATION SERVICES BUDGET—FISCAL YEAR 1976-77

[Dollars in thousands]

Item	Fiscal year 1976 Presi- dent's budget	Proposed fiscal year 1976 supplemental	Fiscal year 1977 Presi- dent's budget
Self-determination grants		\$8,250	\$17,160
Training and technical assistance		2,000	4,597
Contract support	\$10,700		11,130
Total	10,700	10,250	32,887

Senator MONTROYA. Is this really technical aid to the different tribes and no grants?

Commissioner THOMPSON. There are direct grants.

Senator MONTROYA. How much of this is for direct grants?

Commissioner THOMPSON. About \$17,650,000.

Senator MONTROYA. Is that another name for revenue sharing?

Commissioner THOMPSON. The purpose of the direct grant, Mr. Chairman, is recognition of the fact that many Indian communities that have the necessary infrastructure on the reservation do take on some of these large Federal contracts. So the effort here was to get them some front end money to do planning, and eventually takeover or redesign some of the programs that they will take on down the road.

Senator MONTROYA. In the end, it is all for administrative purposes either by the Bureau or by the Indian tribe?

Commissioner THOMPSON. It is administrative in this regard: that the grant can be administered by the tribe, but it is used for planning purposes.

Senator MONTROYA. Why is it that in your direct BIA costs, the tribes are taking over some of the BIA's operations?

Commissioner THOMPSON. We don't know yet that they are.

Senator MONTROYA. You are operating on a two-track system so far as planning for different Indian tribes and giving them money to plan, and the BIA is also planning for them.

Commissioner THOMPSON. Oh, I am sorry. Maybe our Deputy could shed a little more light.

#### SELF-DETERMINATION COSTS

Mr. FRANKEL. Senator, the way the Public Law 93-638 was legislated by the Congress, the moneys that go, for example, for a school can either be spent by the Bureau, if the Bureau ran the school, or by the tribe, if the tribe ran the school.

But the legislation says we should pay the same amount of money to the tribe as we would spend ourselves if we were running that school. So even if the tribe chose to contract for a particular program, they are entitled to that amount of money to run that program.

Commissioner THOMPSON. Why can't you reduce your supervisory overhead, then, if you are going to delegate that function to a particular tribe and pay the tribe for it?

Mr. FRANKEL. Over a period of time that may, indeed, be possible. This budget—

Senator MONTROYA. It is not reflected in this budget, is it?

Mr. FRANKEL. This budget does not assume any tribal decisions to contract. This budget is for self-determination or for preplanning purposes in the tribe. In some future point in time, indeed, some sort administrative overhead might be reduced.

Senator MONTROYA. What is this? A study preliminary to placing them on the track of doing their own planning indefinitely?

Mr. FRANKEL. It is front-end resources for the tribe to plan how they want to strengthen their own tribal government and which Bureau programs they want to take over; how they would administer those programs in advance of actually proposing to contract for such programs.

Senator MONTROYA. You are saying to the tribe, We will do your planning for you this year, but we are going to give you \$32.8 million so that you can study how to plan in the future, but we will do it now? Is that what you are trying to tell them?

Mr. FRANKEL. These are resources for the tribes to decide how they want to proceed in the future in terms of this self-determination opportunity.

#### BIA RESPONSIBILITY

Senator MONTROYA. Isn't that kind of awkward to perform the two functions and use money for administering your function and given your function and giving the Indians some money for trying to plan how they will perform the same function?

Mr. FRANKEL. The requirement for these resources was very strongly registered by Indian tribes throughout the country when we consulted with them on self-determination regulations. They feel very strongly they need money to plan in order to take advantage of the self-determination opportunities.

Senator MONTROYA. You will always continue to supervise these functions anyway; will you not?

Mr. FRANKEL. We will have the ultimate responsibility, yes.

Senator MONTROYA. But you will not need to expend the same amount of money for overhead or administrative expenses you are spending now if the tribe takes over the functions.

Mr. FRANKEL. That is right.

Senator MONTROYA. When do you expect this reduction?

Mr. FRANKEL. That is really a function of how quickly the tribes want to take advantage of these opportunities.

Senator MONTROYA. They want to take advantage of them right now; don't they?

Mr. FRANKEL. Different tribes are going to move at different paces. Before they can do that they really need the grant money to make those kinds of decisions.

Senator MONTROYA. This establishes another layer of administrative expense at this point; doesn't it?

Mr. FRANKEL. No, we don't see it that way, Senator.

#### PERSONNEL COSTS

Senator MONTROYA. Why can't the BIA reduce employment with the tribes moving into program operations? Your permanent positions decrease but your average employment jumps upward by 362 positions and your personnel compensation goes up by nearly \$10 million.

Commissioner THOMPSON. The Indian Self-Determination and Education Assistance Act provides tribes the opportunity to request contracts to operate Bureau programs. The act does not mandate that a tribe contract. The option is completely under the control of the tribal governing bodies, not the Bureau. If a tribe requests to contract, the Bureau is directed to enter into the contract by the Act except in instances where the Bureau has substantial evidence to support declination. The declination criteria are limited by the Act and regulations to: services provided to the Indian beneficiaries will not be satisfactory; adequate protection of the trust resources is not assured; the project or function to be contracted cannot be properly completed or maintained; and the proposal is not within the scope of 25 CFR 271.

For the most part the tribes which are interested in contracting Bureau programs already have contracts which were negotiated using "Buy Indian" Act authority. We do not anticipate a great rush into contracting by other tribes or even expansion by those already contracting until the tribes have had an opportunity to test or review the operation of current contracts under the terms of the new Act. Until more tribes begin to contract the Bureau will not be able to reduce its employment of Federal employees since we will be expected to continue to provide services in absence of contracting.

Even if contracting begins to replace Federal employees at an expanding rate, the Bureau's requirements for end-of-year employment ceiling will not be reduced. This fact is caused by the provisions of 25 CFR 271.77 which require establishment of a ceiling reserve when Federal employees are displaced by contracting with tribal organizations. The purpose of the reserve is to provide for operation of programs which are retroceded by tribes or those which are reassumed or canceled for cause by the Bureau. The ceiling placed in reserve is not available to the Bureau for other uses and cannot

be shifted from one contract to another. The need for the reserve is implicit in the intent of the Act to give tribes the freedom to return programs to Bureau operation whenever they desire so that services to Indian people will not be adversely affected in the event of reassumption or cancellation for cause.

Average paid employment consists of man-years of both permanent and full-time equivalent of other positions. In fiscal year 1976 we had 12,329 permanent man-years; in 1977, 12,296 or a reduction of 33. The full-time equivalent increased by 395, making a net increase of 362.

The increase of personnel dollars covers cost of annualization of the 1976 pay cost and cost of increased man-years in full-time equivalent.

Senator MONTROYA. Where is Indian self-determination taking us in costs? We are putting in millions of additional dollars to help tribes operate their programs, but we are also putting in more millions to keep the BIA bureaucracy functioning, are we not?

Commissioner THOMPSON. The costs included in the fiscal year 1977 budget for self-determination do not duplicate other costs for operating Bureau programs. The additional self-determination costs are for assisting tribes to improve their government capacity and in turn to improve their ability to contract and manage Bureau programs. Previous Bureau programs which had the same purpose were tribal government development and parts of comprehensive planning. In fiscal year 1977 this funding was transferred to self-determination services, which accounts for most of the reduction in the subactivity, aid to tribal government as shown on page 1A-13.

When tribes actually begin contract operations under Public Law 93-638, they are entitled by law to the same amount of funds under contract as would have been used by the Bureau if it had operated the program directly. There will be a reduction in Bureau employment where contracts occur, but the positions will be in a reserve so that if a tribe should retrocede, it will be possible to quickly reestablish bureau operations. So, when a contract is begun by a tribe, the BIA bureaucracy will not also be funded above the contract. The funds will be going instead for the contract.

#### CONTRACT SUPPORT

Senator MONTROYA. Under Indian services you are asking for \$11.1 million for Indian contract support. This is not as high as your original request for fiscal year 1976. Why is this? Was your estimate too high?

Commissioner THOMPSON. Our fiscal year 1976 request was for \$11.2 million of which Congress appropriated \$10.7 million. The reduction in the request was due in part, according to the Senate report, to anticipated slippage resulting from the timing of the fiscal year 1976 appropriation. This slippage did in fact occur and as you know we have proposed reprogramming some of the fiscal year 1976 funds to other programs. Our fiscal year 1977 proposal is for \$11.1, and with Public Law 93-638 operational we feel this is a good estimate.

Senator MONTROYA. How did you compute your estimate for Indian contract support? On what level of total contracting is it based?

Commissioner THOMPSON. Contract support funds can be used to pay for three things: First, the auditable overhead costs of tribal contracts; second, the costs of audits, and third, the severance or relocation costs of Federal employees displaced by contracts. These costs were estimated as a percentage of the total value of tribal costs and projected for fiscal year 1976 and fiscal year 1977. The level of contracting that was used was \$100 million for fiscal year 1976. The same level of effort was proposed for fiscal year 1977 requiring a small increase of \$400,000.

#### SELF-DETERMINATION GRANTS

Senator MONTROYA. Tell us how the estimate of \$17.1 million for self-determination grants was developed. What do you anticipate will be the average grant?

Commissioner THOMPSON. Figures were developed on what cost factor would be required by tribal governments to institute programs which would improve tribal governing capacities. These factors varied according to the size of the tribes so that any economies of scale could be taken into account. The factors in dollars that were eventually used ranged from \$50 per person in the population to be served in a small tribe of 2,000 or under down to only \$3 per person for those over 10,000 in a given tribes population. There will be provision of special incentives to very small tribes to form coalition with others in order to carry out viable projects. It is therefore, difficult to arrive at an average grant because of the varying size of tribes and the possibility of special incentives. Over 65 percent of the tribes have populations under 300 and would therefore qualify for basic grants under \$15,000.

Senator MONTROYA. How will you administer the grants?

Commissioner THOMPSON. When appropriations become available each eligible tribe will be informed of their individual share of the grant formula and also of the additional amount that could be available as program incentives. The tribes will then be expected to develop grant applications for those amounts and technical assistance will be available to the tribes during this process.

After approval, the basic document that will be used in the administration of grants will be the grant agreement which has been signed on behalf of the government and the tribe. Basically, the agreement will state the purpose of the grant work to be accomplished and the amount of grant funds available under the grant. Periodic progress and financial reports will be required and will be used by the self-determination staff as well as related program staff to evaluate the actual work being done under the grant.

#### TECHNICAL ASSISTANCE

Senator MONTROYA. You have a \$4.5 million estimate for training and technical assistance to tribes. How many tribes will that help?

Commissioner THOMPSON. This cost estimate represents a level of effort. Over 400 tribes are eligible for participation in Public Law 93-638. If we can establish a training and technical assistance program at this level it is felt that it will be possible to satisfy the training and technical assistance needs of all these tribes especially since cur-

rent resources of the Bureau will be available where pertinent to tribal needs.

Senator MONTROYA. Almost half the training and technical assistance request—\$2 million—is to fund and train BIA staff. Why is it necessary to siphon off so much tribal training money for BIA staff?

Commissioner THOMPSON. We must recognize that this new act and its operations will be as new to Bureau staff as it is to the tribes. Our estimated need is for 48 staff to be involved in direct operations. On an annual basis this will require \$1 million for salaries alone and retraining of existing staff and operational expenses of the Public Law 93-638 will require another \$1 million. Some of these costs, especially the training for BIA staff are of a start-up nature and can be reduced in subsequent years. When considered in the context of the overall \$32.8 million program a staff and support cost of 6 percent seems reasonable.

#### FUNDING FLEXIBILITY

Senator MONTROYA. Early this year the Department wrote to the committee asking for more flexibility in reprogramming funds to meet the needs of the Indian Self-Determination Act. We will include the letter in the record at this point.

[The letter follows:]

## United States Department of the Interior

OFFICE OF THE SECRETARY  
WASHINGTON, D.C. 20240

JAN 7 1976

Dear Senator Byrd:

The Indian Self-Determination and Education Assistance Act (P.L. 93-638) was signed into law on January 4, 1975. The final regulations for the Act were published in the Federal Register on November 4, 1975, to implement the Act and became effective on December 4, 1975.

We are striving to carry out the clear intent of the Congress set forth in this Act to encourage Indian tribes to be involved in the operation and planning of Federal programs for Indians. In furtherance of this Congressional intent, we believe there is need for greater flexibility at the reservation level in the use of appropriated funds when it is desired by the Indian tribes, especially to adequately support tribal initiatives under the provisions of the Act. We are, therefore, requesting Committee concurrence in allowing the Bureau of Indian Affairs discretionary reprogramming authority between line items within the Operation of Indian Programs appropriation. Such reprogramming would be considered only upon the request of an Indian tribe and would be restricted to program activities for which relative funding levels were previously established by the tribes at the reservation level in the tribal priority-setting process usually referred to as the "band analysis" system. While we do not believe that such a process would result in substantial net shifts between activities bureau-wide, at the individual reservation level this process would constitute a major improvement in the Bureau's ability to tailor programs to tribal priorities.

You are aware that we are involving, to the extent practicable, every Indian tribe in every step of the budgeting process. We are allowing tribes to determine what programs they feel are most effective for them and within budgetary constraints, they establish funding levels for many of the program activities. However, in order to fit this priority setting process into the budget deliberation process of the Federal Government, the tribal involvement is a year or more in advance of the actual program operation. In this intervening year or more, many changes take place which can be better accommodated with broader funding flexibility after appropriations are made.

For example, a tribe has prepared with the Bureau a balanced program plan based upon their current program priorities for Bureau activities which is reflected in the President's budget request. A year later, after the funds are appropriated, the tribe decides it would like to contract for a portion of its Bureau programs using the authorities of P.L. 93-638. Upon review of the funds available for the contract the

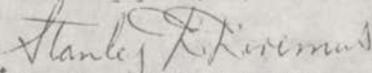
tribe finds that they cannot effectively operate the program without additional funds. Since additional appropriations are not possible to obtain, the tribe decides it is willing to accept a reduced service level in some of its lower priority Bureau programs. Therefore, the tribe requests that the Bureau reprogram those funds to the activity which finances the program the tribe wishes to contract. While the total dollars involved may be small, it would be of great significance to the tribe to have the flexibility to easily request the changes between budget activities in order to take advantage of the provisions of P.L. 93-638 and other opportunities which may arise suddenly.

It might be noted that this request for funding flexibility for Indians is not unique. At a time in the early part of the century when Indian Affairs appropriations were identified to the tribe benefitting, legislation was enacted which provided for flexibility in the use of appropriations (Act of March 1, 1907, 34 Stat. 1016; 25 U.S.C. 140).

The tribal priority-setting system now used in development of the total Bureau of Indian Affairs budget and subsequent distribution of the appropriated funds on the basis of the tribally set priorities is for practical purposes identical to the situation that existed in 1907. Our present request is in keeping with the spirit of that authorization.

Your consideration of our request would be appreciated. The Office of Management and Budget has no objection to our request.

Sincerely yours,



Deputy Assistant Secretary of the Interior

Senator MONTROYA. Can you give us a specific example of the funding shifts that you feel might be necessary to meet changing priorities of the tribes?

Commissioner THOMPSON. A tribe with substantial undeveloped coal resources has prepared with the Bureau a balanced program plan based upon their current program priorities which is reflected in the President's budget request. After the funds have been appropriated, a private corporation submits a proposal to the tribe to develop a portion of their coal resources. The tribe is greatly interested in the proposal because of its job and income generating potential but lacks sufficient information about its resources, labor force, et cetera. Because the corporation has set a short deadline for the tribe to respond to their proposal, it is essential that the tribe act quickly to study its coal resources and labor force skills. Therefore, the tribe asks the Bureau to fund the study by reprogramming funds from the tribe's lower priority Bureau programs—i.e. adult vocational training within the career development subactivity; tribal work experience program within the social services subactivity—to the tribal resources development activity—minerals, mining, irrigation and power; business enterprise development.

Senator MONTROYA. What estimated amounts and specific activities and subactivities of your budget would be involved in proposed funding shifts?

Commissioner THOMPSON. It is anticipated that at the bureauwide level that the net shifts between budget activities would be rather small, probably less than 5 percent. However, at a single field installation—agency—it could be expected that substantial shifts of several hundred thousand dollars could be involved. Because all tribes would have the opportunity to request the Bureau to reprogram funds between activities, some tribes wanting shifts in one direction and other tribes in the opposite direction, most of the effects of the shifts would be "washed" out with the net effect at the bureauwide level being small. I will supply further details for the record.

[The information follows:]

All of the Bureau programs within the Operation of Indian Programs appropriation account which are on the "Band Analysis" would be involved. The relative funding levels of these programs at the field level (Area and Agency) have been originally set by using priorities established by the tribes. In fiscal year 1977 all OIP programs *except* the following were on the "Band Analysis":

Johnson-O'Malley Educational Assistance (subactivity); Welfare Grants (Social Services subactivity); Welfare Grants (Social Services subactivity); Law Enforcement (subactivity); Self-Determination Services (subactivity); Indian Business Development Program (Business Enterprise Development subactivity); On-the-job Training (Direct Employment subactivity); Operation & Maintenance Indian Irrigation Systems (Minerals, Mining, Irrigation and Power subactivity); Indian Action Teams (subactivity); and Navajo-Hopi Settlement Program (subactivity).

Senator MONTROYA. Why can't the BIA submit a reprogramming request if any significant amounts need to be shifted among activities?

Commissioner THOMPSON. The current reprogramming procedures are adequate and reasonable to accommodate requests for reprogramming appropriated funds for Bureau operated programs. However, the Bureau's ability to respond to tribal initiatives to contract to operate Bureau programs under Public Law 93-638 when reprogramming actions are needed is adversely affected by the procedures.

The time element is the primary problem in the current procedures for responding to tribal requests to reprogram Bureau funds between budget activities. A formal request for reprogramming action would take a minimum of 3 months: 1 month or more from the tribal level through the agency, area and central office levels of the BIA, the Department of the Interior, and OMB to the congressional committees; at least a month for committee review and response; and approximately a month for the response to move back through the administrative structure to the tribal level. Such delays in approvals could be catastrophic to a tribe's attempting to fund a tribal proposal to contract a Bureau program. When one also considers that, in the past, appropriations have not been approved by Congress until some months after the start of the fiscal year, a tribe could be in the position of not knowing what funds will really be available for their contract operation until long after the time the program should have begun. If the Bureau had prior flexible authority to make the necessary funding adjustments, tribes contracting with the BIA could expect a rather short response time since most of such shifts will be dealt with at the Area Office level.

Another reason for requesting funding flexibility approval in advance is that the Bureau does not consider a tribal initiative to contract a Bureau program as a specifically "foreseen" situation. Since the passage of Public Law 93-638, the Indian Self-Determination and Education Assistance Act, tribal governing bodies are the sole determinants as to when and what Bureau programs are operated under contract with tribal organizations. Therefore, for the Bureau at least, a tribal request to reprogram Bureau funds to finance a tribal contract proposal for a Bureau program is an "unforeseen situation". The Bureau cannot anticipate such a tribal proposal and in the spirit of Public Law 93-638 should be able to respond in a timely manner to accommodate justifiable tribal requests to reprogram. Such requests are not merely for the "convenience or desire" of the Bureau even though this concept may influence the reviewers' action on a reprogramming request.

An additional consideration exists: the only way the Bureau can now accommodate a tribal request to reprogram between budget activities without submitting a formal request to Congress is to arrange fund "trade-offs" between tribes. Such trade-offs are difficult to arrange even if small amounts are involved. Other tribes have established their own relative priorities for Bureau programs and should not be asked to adjust them in order to accommodate a change in priorities for another tribe.

#### PUBLIC SCHOOL CONSTRUCTION AND TRIBAL SCHOOL OPERATION

Senator MONTROYA. While you are funding some portions of Indian self-determination, your budget ignores others, such as operating assistance to fund previously private schools and public school construction. Why?

Commissioner THOMPSON. Those aspects, Mr. Chairman, as I indicated, are involved in this effort to determine what procedures we should use in construction. We now have this new construction authority and obligation in Interior. We also have another construction program to construct facilities on or near Indian reservations.

The two procedures and priorities in processes are fairly different. We want to get them somewhat consistent before we request funding.

Senator MONTROYA. What about the operating assistance?

Commissioner THOMPSON. The operational moneys for previously private schools?

Senator MONTROYA. Yes.

Commissioner THOMPSON. There, again, as a constrained budget item, we felt that activity could be taken on later.

Senator MONTROYA. When?

Commissioner THOMPSON. Hopefully, in the next fiscal year.

Senator MONTROYA. Isn't that a higher priority than the other moneys that you are making available to Indian tribes?

Commissioner THOMPSON. Not currently. We don't feel so, Senator. Some of those centers are being operated either by religious orders or have other funding sources currently.

#### PLIGHT OF UNFUNDED TRIBAL SCHOOLS

Senator MONTROYA. What is going to happen to those tribal schools which participated in the \$1.5 million provided by Congress for operating assistance this year but are dropped from your budget for next year?

Commissioner THOMPSON. We are going to have to look at those, Senator, honestly, very hard as to whether we will pick them up in our normal line item expenditures or whether they will have to seek other assistance.

Senator MONTROYA. Like what and from whom?

Commissioner THOMPSON. Conceivably, from the Bureau's regular program, out of our regular program from perhaps 815; if they are an Indian school, or perhaps, from other Federal sources such as HEW.

Senator MONTROYA. You are posing too much reliance on 815. Do you really mean that?

Commissioner THOMPSON. In my discussions with public school districts—and Senator Abourezk referred to this earlier—we are spending \$22 million on the Johnson-O'Malley effort. Public Law 874, I am referring to in this particular discussion, is spending something like \$600 million.

Senator MONTROYA. But 815 is construction. Johnson-O'Malley is not.

Commissioner THOMPSON. That is right. I stand corrected, Senator. I was mixing apples and oranges here.

In fairness to the Senator, who I am sure knows much better than I, 815 has not been a great source of funds for public school construction—

#### PUBLIC SCHOOL CONSTRUCTION

Senator MONTROYA. It sure hasn't. And there has been resistance from HEW and from the administration to increase the 815 funding. There has been considerable resistance. In fact, there is resistance on the part of the administration. I am not speaking of just this administration. The previous administrations, as well, for Public Law 874 funding.

We have had to battle here in the Congress and superimpose our will against the administration's objections to continue Public Law 874 and increase the funding under 815.

I think if you are going to start building some schools for the Indians, you had better quit looking at 815 as the dreamworld that you can tap. You have got to do it right here in this committee. I would want you to have your people bring about an affirmative program of construction because you know well, Mr. Thompson, that many of the BIA's schools in this country are 40 and 50 years old. They were built by unreliable contractors. They were no gems of construction. I have visited many of them.

What is happening to those badly deteriorated public schools on or near Indian reservations which aren't getting authorized construction grants under your budget?

Commissioner THOMPSON. Public school projects will be considered in future budget requests and funded in accordance with the priority index submitted to the Bureau by the Secretary of HEW.

Senator MONTOYA. How did those two school programs—both operating and construction assistance—rank among tribal priorities?

Commissioner THOMPSON. Public school construction is prioritized by the Department of HEW. Previously private school construction is based upon the Bureau priority system and has not been included as a program for tribal priorities.

#### EDUCATION BUDGET

Senator MONTOYA. As a total program, your request of \$243.8 million for education, a \$772,000 increase, isn't enough to cover pay cost increases. With education probably your most important single program, do you consider the request adequate?

Commissioner THOMPSON. The entire education budget is now in the band analysis process, as I mentioned Mr. Chairman, that is, the tribes have significant input in putting the budget together at the local level on a reservation by reservation and agency basis. The \$243.8 million is the sum total of all agencies and tribes. It represents their determination of how the total dollars available should be broken down by program. We do not routinely question these tribal determinations. If the total dollars available were not constrained, I am quite sure the tribes would elect to put more money into education and, indeed, the unconstrained band reflects this to a great extent.

Senator MONTOYA. You have a \$2.3 million increase requested for college scholarships, which are to be awarded in line with tribal priorities. What are those priorities, and how will they be applied to scholarships?

Commissioner THOMPSON. As I have just mentioned, tribes set their own priorities on which Bureau programs will be requested for funding and at what level in a given fiscal year. In looking at all the tribal priorities on the tribal band analyses one can see that higher education rates highly with many tribes and that is why the requested funding was increased so much compared to other education programs, or other Bureau programs for that matter.

Senator MONTOYA. What about the 211 drop in permanent positions for education? Does that reflect the shift to Indian contracting?

Commissioner THOMPSON. Yes, the drop in permanent full-time positions reflects to some extent a shift to Indian contracting. It also reflects the transfer of a couple of schools to state responsibility in Alaska, and the closure of one boarding school.

Senator MONTROYA. Is that an actual drop in BIA employment under education?

Commissioner THOMPSON. It is an actual drop in permanent full-time employment in education.

#### BOARDING SCHOOLS

Senator MONTROYA. Last year language was included in the Senate report directing that the Bureau report to us on the reasons for the extremely high costs of running the boarding schools. When will this report be available to us?

Commissioner THOMPSON. We have a committee who, in consultation with Indian people, congressional aides, and other technical resource personnel are gathering and analyzing necessary and appropriate fiscal data from which a report will be prepared and submitted as directed by the Senate Appropriations Committee. The report will be submitted by May 19, 1976, the date on which the committee's prescribed 6 months expires.

Senator MONTROYA. Some of the boarding schools have more noninstructional personnel than teachers—why?

Commissioner THOMPSON. Students in boarding schools have more time out of class than when classes are actually in formal session. The fact that the Bureau must provide supervision 24 hours a day necessitates a sizable noninstructional staff. The variety of out of class activities and the wide range of backgrounds, problems, interests and needs of the students also dictates the need for non-instructional staff.

Additionally, the age and run down condition of many of the physical facilities contributes to the size of the noninstructional staff through the need of a significant number of maintenance personnel.

Senator MONTROYA. Are the education budgets submitted by the area offices to the central office?

Commissioner THOMPSON. Yes, Senator, the education budgets are submitted to the central office by the area offices.

Senator MONTROYA. What sort of analysis of these budgets does the central office do—is there any real needs assessment or administrative overview?

Commissioner THOMPSON. There is an administrative overview performed by the Office of the Assistant Director, Financial Management on all budget requests. Of course, needs assessments are performed on a continuing basis throughout the year by the central office education staff. The Director of Education has no staff to perform program analyses of the budget requests from the field. This is a shortcoming in our Education office and I fully expect the new Director of Education will make some recommendations to me in this regard. I expect that the Deputy Commissioner and I will be receptive toward those recommendations.

## VOCATIONAL EDUCATION

Senator MONTROYA. I am also concerned about the lack of vocational training in the BIA schools. They just have home economics courses which teach them how to make Indian bread. They already know that. When it comes to vocational education, BIA schools are really behind the rest of the country and the rest of the country was really behind in vocational training up until 2 years ago when we started prodding the educational people.

Have you any study on the needs for vocational education and what you might do to establish this as part of your curriculum in the schools?

Commissioner THOMPSON. Mr. Chairman, I will have the Acting Director of Indian Education respond.

Let me just say we appreciate anyway the response consistently given over the years to vocational training needs throughout America, including the American Indians.

I had the privilege of testifying about 5 years ago in Anchorage where even in Alaska that was an issue that was being made then as to the needs of vocational education.

Senator MONTROYA. I went all over the country preaching vocational education. I happen to chair another committee in the Senate, the Economic Development Subcommittee of the Public Works Committee, where we have prepared some legislation that provided for grants for the building of vocational schools. It took us a long time to convince the conventional educators that this was a field sorely needed in this educational spectrum.

But I have been checking the BIA schools and you have very little vocational education to speak of. I am wondering if you have a specific program where you can come to this committee and say we need vocational education. Here is what we need to start buying the equipment and so forth in the different schools and getting the teachers.

## VOCATIONAL TRAINING POLICY

Dr. WARREN. Mr. Chairman, I think there is some perspective to be drawn on the issue of vocational training. I think that this perspective reflects a good deal of the emphasis that has been placed in the Bureau education in vocational versus academic preparation. Until about the 1960's I think we were still dealing with a policy and a program approach that began in the 1920's and perhaps even earlier in terms of Carlisle or even Haskell being vocational schools of national importance. But this also filtered down to the local boarding schools.

Since the 1960's the increased emphasis on preparation for professions has begun to influence the kind of curriculum that the Bureau offered or the kind of curriculum that was offered in response to the Indian community and its setting up of the various kinds of priorities in the education and training of its youth.

I think since the 1960's there has been a balance in the sense—a 50-50 balance, in some instances—perhaps a lessening of emphasis on vocational education in the high schools.

Senator MONTROYA. Why is that?

Dr. WARREN. Because of the reflection of many of the—I would say—local interest in preparing the student or motivating the student to go on into the professions.

Senator MONTÓYA. But how many professions can they go into when the national statistics indicate that very few people who start in high school actually go on to college and those who start in college, very few of them, a very small percentage actually go into the professions. So why are we orienting ourselves in that direction?

Dr. WARREN. I think this is in response to a good number of pressures primarily on the part of students themselves aspiring in greater numbers to go to college, but we have conducted a survey with the recently implemented education information system which does include a subsystem on curriculum. This has just come into being—this facility for gathering data has just come into use this year.

Out of 114 schools that we surveyed, we found at least 49 courses which were identified as industrial art courses and approximately 26 courses which were identified as trade and industrial occupations. This is high school level, Mr. Chairman. We have not, I think, taken into consideration the emphasis at a high school or the Institute of American Indian Arts or Southwest Indian Polytechnic Institute curriculum which, of course, is very heavily concerned with or very deeply concerned with various kinds of occupational training programs. This whole question must be dealt with in relation to the adult educational programs, the kind of career programs which could address more of the post-high-school students or the adult requesting training preparation or retraining in the vocational areas.

#### VOCATIONAL CURRICULUM

Senator MONTÓYA. That is very fine. I followed you very carefully in what you said. I am very interested in having the adults share some of the benefits of vocational training and education. I am also very vitally interested in having the students at the high school level receive some meaningful vocational or technical education in line with their academic curriculum and many of our high schools are doing that in this country. We can do both.

What I want to ask you—and let's take Laguna which has a very modern school—we just built it a few years ago—what kind of vocational courses are being taught at Laguna? The Laguna school?

Dr. WARREN. I do not have direct or detailed information on that, Mr. Chairman. That would be an issue in which the local school, its education or curriculum committee, perhaps, would deal with the community. Again, addressing the kinds of interest or priorities that community places on that.

Senator MONTÓYA. I know. But we can carry that too far. If you leave it up to the local school teachers, they are not going to want any vocational teacher to come in because that is going to drain the salary scale. That is what happened to vocational education in this country until we took the bull by the horns and started saying things to the school districts—"OK, here is so much money to build a vocational school." I did that in New Mexico. I fought the Governor of New Mexico. I went, say, to Espanola, for instance, with the Senate

committee and staff and held hearings there. I called the superintendent in. I called educators in from the State level and I said, "This place needs a vocational school. And I have a person here from Washington, from EDA, who is going to draw up the application for a vocational school. Are you people willing to share part of the cost?" They said they were not. Then I went to the State legislature and addressed a joint session. I asked that legislature to appropriate the money for the State's share and we built a \$1½ million vocational school in Espanola, N. Mex.

We now have 1,500 students studying mechanics, barbering, nursing and quite a few other things and they are all finding jobs.

I did the same thing in Bernalillo. Many of your Indian children are going to the public schools. They are taking nurses' aid training, printing and many other things. Electrical work, mechanics. They are learning that.

But you go to a BIA school and you don't find anything like this. Why?

Dr. WARREN. Senator, I think——

#### LOCAL CURRICULUM CONTROL

Senator MONTROYA. With the exception of the Southwest Polytechnic Institute in Albuquerque which was just started.

Dr. WARREN. This emphasizes the areas in arts for preparation. I think, Senator, though if I might, I am not begging your question at all. I think that there is a prerogative to be exerted by the committee or something like a Laguna school where we in the Bureau have more direct control in terms of our off-reservation boarding schools. This may or may not be a viable question you are bringing up. Namely, how much we can influence the vocational versus the academic preparation.

Senator MONTROYA. Let me go into that, too.

I have never heard of a parent, Indian or otherwise, object to the child receiving vocational and technical training in school. It is just that they have not been told that this facility could be available to the children. I don't know of any parent who would object to that.

Dr. WARREN. I know of none either.

Senator MONTROYA. I think it is our responsibility here in the Congress and your responsibility in BIA to upgrade these schools so that they can train children for the needs of the labor markets of tomorrow and take into consideration the fact that not everyone who enrolls in high school is going to go on to college and be a doctor, lawyer, engineer, or what have you.

Dr. WARREN. One new development that is occurring which I think will help us all in this is that certainly in New Mexico with the All Indian Pueblo Council, certainly in New Mexico and in Arizona with the Navajo Tribe and in the Phoenix area, we have the first major efforts being undertaken by the Indian community to develop comprehensive education plans based on very well organized data, computerized in many instances, on the kinds of vocations that they, the Indian community, are looking forward to in getting their own youth put into.

Senator MONTROYA. But you just told me you were already aiming your program toward the possibility that these children might go into the professions. You are on one track there. But I am asking that we go on two or three tracks. That is all I'm asking.

Dr. WARREN. I think we are trying to provide as many options as possible.

Senator MONTROYA. When the feasibility of vocational education has been studied to death—it has proven itself already. Why more studies? Study is just a vehicle of postponement.

Dr. WARREN. Let me correct my statement, if I may—that impression. I am talking about Indian communities already now on their own, in their own way, through their own resources, designing their own comprehensive education plans; they, themselves.

Senator MONTROYA. They can do that by starting on a program of education—vocational education. You don't have to wait for them to make up their mind as to a comprehensive plan. That is what I am trying to do. Now, Commissioner, tell me about it.

Commissioner THOMPSON. Two things, Senator. I think, one, in some instances we have moved vocational education along very well. I understand—I have had the privilege of visiting this particular school—around the 10th of April we are going down to dedicate the new Cherokee High School in Cherokee, N.C. It is a beautiful facility.

No. 2, they have done a tremendous job in insuring that vocational education has a high priority there. We have certain situations where vocational training is still offered as a curriculum in our secondary educational facilities, as Dr. Warren points out.

I know, for example, in the schools that I attended, it was an option of up to 50 percent of your class time as to whether you wanted to go into vocational training or college prep course, as they called it at that time.

I think with SIPI, with the facility here we are offering and then with the program that we have with adult training, we are offering sufficient training for Indian youngsters and Indian people to get blue collar training, if you will—if you will call it that just for a handle.

I think we have moneys available in the adult vocational program, for example, to enroll students in certified courses leading to job related activities, job related training. So we are moving. We have a balance. I think we are on that two-track system that you referred to, Senator. Perhaps we are not giving enough emphasis to vocational training, but it is not that we are placing emphasis—

Senator MONTROYA. All right. You give me a list of all the schools in New Mexico and tell me in that list what kind of vocational or technical education the children are receiving in that school and how many.

Commissioner THOMPSON. We would be pleased to, Senator.  
[The information follows:]

#### SCHOOLS IN NEW MEXICO STATE

List of schools in the New Mexico and the vocational education they provide:  
SIPI, Dental Tech., Printing, Auto Mechanics; Institute of American Indian Arts, Arts and Crafts; Albuquerque Indian School, General High School Courses; Wingate, General High School Courses; Crownpoint, General High School Courses.

## NEED FOR VOCATIONAL EDUCATION

Senator MONTOYA. I want to know. It is about time we started on something like this. That is what is going to allow the American Indian to join the main stream of society, training like that. We have been educating them for years, academically. They have not been able to get very much out of the main stream. Neither have my people, the Spanish people in New Mexico. And, neither have the deprived white people of the South or other parts of the country. They haven't been able to get anything out of the academic world because they don't finish high school.

What we have to do for all of these children across the vast expanse of America, we have to train them vocationally or technically so that they can join the labor markets and not be on the unemployed labor list all the time. That is all I'm arguing for, for everybody in America.

I know we have not done enough for the Indians and that is our concern here today. I am not blaming you, Commissioner. I think you have done a good job so far.

Commissioner THOMPSON. Thank you.

Senator MONTOYA. And you can do a better job yet. We will help you.

Commissioner THOMPSON. Thank you.

Senator MONTOYA. We have quite a few other questions that we would like to submit so that you can answer them.

Commissioner THOMPSON. We would be pleased to, Senator.

## EMPLOYMENT PROGRAMS

Senator MONTOYA. You are asking to expand direct employment programs by \$1.1 million but you plan to keep Indian Action Teams at the same program level. What is involved in this decision?

Commissioner THOMPSON. It was administratively decided by the Bureau to restore cuts imposed by Congress in fiscal year 1976 only for the banded programs. Since direct employment is a banded program and Indian action teams are nonbanded the direct employment program shows a \$1.1 million increase and Indian action team remains at the 1976 level.

Senator MONTOYA. Your request for Indian action teams is more than \$1 million below your original budget request for that program in 1976. Do you feel, then, that this program is at the maximum level?

Commissioner THOMPSON. We do not feel that the Indian action team program has reached its maximum level even though our budget request is \$1 million below our original request for fiscal year 1976. The budget request is the result of the setting of many priorities by the Bureau of Indian Affairs, the Department and the administration. These priorities must also be set within the boundaries of a constrained budget. The total amount requested by the tribes is approximately \$38 million, or \$23 million more than the budget request.

Senator MONTOYA. Direct employment, Indian action teams appear to duplicate the adult vocational training program funded under education. Why are these activities separate?

Commissioner THOMPSON. The direct employment, Indian action teams and adult vocational training program, although separated on paper, are in practice being administered totally by the Division of Job Placement and Training within the Office of Tribal Resources Development.

Senator MONTROYA. Which program is most effective?

Commissioner THOMPSON. In terms of employability we rate each program as being highly effective. The direct employment program creates a mobility factor the Indian worker otherwise would not have. The adult vocational and Indian action programs provide for the attainment of job skills limited only by the individuals capabilities and motivation. The combined programs provide counseling and wide choice of options.

#### TRIBAL RESOURCES DEVELOPMENT

Senator MONTROYA. Your request for tribal resources development totals \$88.7 million, up more than \$5 million. In what specific way does this proposal provide improvements in the management of Indian natural resources as recommended in last year's GAO report?

Commissioner THOMPSON. The natural resources management spoken of in the GAO report involved primarily the activities carried out with the agriculture and forestry program funds. These programs as presently proposed are jointly funded at \$29.7 million. The management and development activities associated with the agriculture funds will include construction and development of conservation projects, increasing the number of lease supportive actions, increasing range inventories and management contracts. By redirection of program efforts, we plan to emphasize range inventories, management planning, and informing Indian land owners of the options available when they make decisions relative to management of their land.

With regard to forestry, prior to the publication of the GAO report, Bureau forestry staff initiated an in-depth study concerning their needs to properly manage the 13 million acres of Indian forest land. The report attesting to these needs is being prepared and will be formalized shortly. The GAO report clearly identified the staffing and funding inadequacies of the Bureau's forestry program, and recommended that you be informed of these needs.

Senator MONTROYA. Please supply for the record a summary of what is being done to improve natural resource management and indicate what funding is directly involved in this effort.

Commissioner THOMPSON. In addition to the activities mentioned previously as to range and forestry activities, some expansion of timber sales activity and forest development work are proposed, and we also propose to participate more in the fire management activities at the Boise Interagency Fire Center, which we consider essential to maintaining an adequate fire protection program. The range activities I mentioned before are illustrated by the estimated outputs reported in the budget justification, that is, conservation projects are expected to increase by 1,813; lease supportive actions by 261, range inventories by 328,000 acres, and range management contacts by approximately 1,000. We are also involved in a minerals survey program on several reservations, for which \$1.4 million is budgeted in fiscal year 1977.

In addition to the forestry and agriculture funds that appear in the tribal resources development part of the budget, there are also funds for resources management included in the trust responsibilities line item for real property management, in the amount of \$14.9 million, which directly relates to natural resources management. A portion of those funds is used through an agreement with the Bureau of Land Management to accomplish reservation boundary surveys, which delineate the areas in which we have responsibility for improvement of management.

We have also established a task force with various segments to address improvements in natural resources, including updating of the regulations and procedures and a resource information system.

#### FORESTRY AND AGRICULTURE

Senator MONTROYA. With the \$2.8 million increase requested for 1977, the forestry and agriculture program is approaching the \$30 million level. Exactly what do these funds generate in terms of Indian benefits and revenues?

Commissioner THOMPSON. The agriculture funds are used for technical assistance, physical improvements associated with conservation and resource development, grazing permit administration and lease supportive actions that benefit the Indian land owners and land users that receive the rental income and/or production generated.

The tribes received \$2,903,625 in 1974 for grazing fees on 36,749,000 acres of tribal rangeland. At the same time tribal members were subsidized \$8,633,000 on that same acreage by being the beneficiary of either free grazing or a grazing fee less than fair market value as established by the various tribes. Individual land owners received \$3,634,000 from grazing permits administered on 1,059,418 acres of allotted land. Individual Indian livestock operators are utilizing 1,059,418 acres of their own land that has an estimated grazing value of \$573,000. The range resource generated a gross value of Indian livestock production valued at \$44,541,000 annually, and the estimated gross agriculture production by Indians using trust land was \$136,220,000. In addition, the agriculture program provides technical assistance to our realty program by developing conservation stipulations and conducting on-site compliance checks of farm-pasture leases. These farm-pasture leases had a 1974 rental value of \$21,517,555.

Our forestry program, through the harvesting and processing of Indian timber, provides valuable income and employment to Indian owners. Employment is also generated by labor intensive forestry operations such as reforestation, forest improvement work and forest protection. Besides the direct income and employment benefits, revenues generated from the Indian forest resource benefit all Indian people by providing funds to Tribal governments to manage, develop and improve Tribal operations and programs. During fiscal year 1975, the harvest of 844 million board feet of Indian timber provided \$59 million in stumpage revenue to Indian people. The woods and milling operations associated with the processing of this timber provided an additional \$81 million in employment wages, from 8,900 forest industry jobs. About one-third of these employment benefits accrue to Indian people.

Senator MONTROYA. How are revenues returned to the tribes?

Commissioner THOMPSON. Revenues from the harvest of tribal timber and tribal grazing fees are returned to the tribe and individual members through the tribal budgeting process. Income from timber harvested on individual Indian allotments, and grazing fees from individual allotments, are deposited in local IIM accounts for use of the allotment owners. The tribes also have available to them, through a reimbursement process, the use of the 10-percent timber sale administrative fee for investment in forestry program activities.

#### BOLDT DECISION

Senator MONTOYA. Under trust responsibilities you show total funding of \$2.2 million for tribal assistance under the Boldt Indian fishing rights decision, a net reduction of \$1.1 million. Why is this being reduced?

Commissioner THOMPSON. The \$3.4 million available in fiscal 1976 was a combination of what we had asked for in our budget, plus the amount added on by the Congress. Within the 1977 budget, we were able to give this program only \$2.2 million to stay within budgetary constraints.

Senator MONTOYA. You had better detail clearly for the record what you are doing in the Boldt decision area—how funding emphasis is being shifted and why. Also indicate your estimates for ongoing needs in this area.

Commissioner THOMPSON. The Bureau of Indian Affairs has contracted in fiscal year 1976 to provide the means for the tribes to continue and to refine the system established during previous years to comply with the decision in *U.S. v. Washington*. The tribes, in order to become self-regulating, must be able to provide and obtain the data necessary to manage their fishery.

Catch monitoring is but one of the systems which is a part of the total management program being implemented by the tribe.

The contracts with the tribe provide the means by which they can begin to identify specific management problems pertaining not only to anadromous fish but nonanadromous fish and shellfish as well.

The BIA contracts will continue to refine systems established by developing Indian fisheries pertaining to herring, shellfish, et cetera, and will require additional means to regulate, control and manage the additional fisheries.

The personal I.D. card and fishing gear I.D. programs must be constantly updated to insure that the judicially defined Indian treaty right is not being abused.

Training of tribal members in various phases of fisheries management, ranging from biological technicians to administrative and clerical support, is being undertaken.

Contracts will provide for a full range of activities from the self-regulating tribe down to those being organized and establishing the systems and programs necessary to exercise their treaty right.

In fiscal year 1976, as a result of a request by Senators Magnuson and Jackson for a joint State-Indian program to implement the court decision, an additional \$2,252,000 was requested by the tribes to enable them to participate in the fishery program on a basis equivalent

to that of the State of Washington. The total program for fiscal year 1976, including the add-on requested by the Indians, was \$3,407,000.

The tribes have indicated that in future years it will take approximately \$5.1 million annually to carry on the program in a manner sufficient to assure that the tribes will be able to continue to harvest the fishery resource.

#### MANAGEMENT AND FACILITIES

Senator MONTROYA. Your \$76.1 million request for general management and facilities operation includes an increase of \$2.4 million which is mainly for facility management. First, how many new facilities are being managed under this increase?

Commissioner THOMPSON. The \$2.4 million increase for facility management will be for Santa Rosa, San Simon, Gray Hills High School and kindergarten classrooms.

Senator MONTROYA. \$1.8 million of the increase is for higher costs of managing existing facilities. Has the BIA made every possible effort to cut maintenance and utility costs?

Commissioner THOMPSON. An every conservation program has been initiated in each of our areas and, within resources available, every effort is being made to improve our performance.

#### NAVAJO AREA FACILITY MANAGEMENT

Senator MONTROYA. The NASBA group claims that the Navajo area has been funded at a much lower level per square foot than the adjacent and intermingled BIA areas. Is there a logical, rational system of allocating facility maintenance funding in the Bureau of Indian Affairs or is the system of incremental funding being relied upon?

Commissioner THOMPSON. The methods used in allocation of funds was related to inventories that took into consideration factors other than just square footage.

The facilities management allocation system used to establish maintenance dollars was initiated in the early 1960's and used through fiscal year 1973. The system was based on our facility inventories costs which were equated to each inventory category. These combined costs gave the basic theoretical maintenance dollars per location. To these dollars, dollars—percent of basic maintenance dollar—were added for major repair, equipment repair and support services. These totals per location were the projected maintenance program. The area offices would review and from experience modify the data. This revised program then became the approved repair and maintenance allocation.

Since fiscal year 1974, the allocations have been based on tribal priorities as reflected in the band analysis.

Senator MONTROYA. Does the BIA have a system of verifying the adequacy of your funding requests by field inspection, analysis and sampling techniques?

Commissioner THOMPSON. Each area is responsible for making inspections, and analysis of their needs and determining whether funds allocated are adequate. This information should be made available to Indian leaders in developing their program priorities.

## BIA MAINTENANCE COSTS

Senator MONTROYA. Has the BIA ever checked their maintenance figures with other Government agencies for cost comparisons?

Commissioner THOMPSON. Yes. We have checked our maintenance figures with General Services Administration.

Senator MONTROYA. Does the BIA compare their maintenance and operation costs with such organizations as Buildings Owners and Management Association?

Commissioner THOMPSON. No, sir. We do not compare our maintenance and operation costs with other organizations.

Senator MONTROYA. Are you publishing any guidelines and instructing your facility management people on what would be normal ranges of facility management costs?

Commissioner THOMPSON. The Bureau manual covering facility management and improvement has been updated and is scheduled for issuance in the near future. Each area has the responsibility for issuing necessary guide material to meet their respective needs.

## INFORMATION FURNISHED TO TRIBAL LEADERS

Senator MONTROYA. Are you providing this type of information to Indian leaders so that they could make intelligent priority decisions in their band analysis?

Commissioner THOMPSON. Program information is being furnished to Indian leaders but additional effort will be made in the future to make Indian leaders more aware of the importance of the operation, maintenance and improvement of facilities.

Senator MONTROYA. Is your system of allocation rational? Can't a rational allocation system be developed for the BIA?

Commissioner THOMPSON. It is the Bureau's policy to develop allocations based on tribal priorities. An effort will be made by the Bureau to make the tribes more aware of the importance of the operation, maintenance and improvements of facilities necessary to carry out program needs. Thereby, proper consideration should be given by tribes when determining reservation program priorities.

Senator MONTROYA. Do you make known to each area the figures used for other areas in the BIA?

Commissioner THOMPSON. The information is available and is furnished to each area upon their request.

Senator MONTROYA. Have fuel increases during the last several years been in effect paid for by a reduction in maintenance and repair of government-owned facilities?

Commissioner THOMPSON. Yes; the reduction in maintenance and repair of government-owned facilities was due to the fuel increases.

## LEGISLATION CREATING NEW RESPONSIBILITIES

Senator MONTROYA. Have laws been passed during the last several years such as Federal Pollution Control Act, Public Law 92-500, Solid Waste Disposal Act, Public Law 91-51, Occupational Safety and Health Act, Safe Drinking Water Act, Public Law 93-523, without any serious attempt being made by the BIA to comply?

Commissioner THOMPSON. Yes; laws have been passed but fund limitations have not permitted the Bureau to comply completely with these laws.

Senator MONTROYA. Are there any other ways for the BIA to comply with these laws except through the facilities improvement program, commonly known as the major alterations and improvement program?

Commissioner THOMPSON. Yes; the Bureau can comply with these laws by increasing our maintenance program and through major repair and new construction projects.

Senator MONTROYA. Are there alternative ways for you to comply with the aforementioned laws?

Commissioner THOMPSON. The only alternative we have is to seek means to provide for increased major repair and facilities improvement funds.

Senator MONTROYA. Is your office pursuing them?

Commissioner THOMPSON. We have not pursued them due to the budgetary constraints in fiscal year 1977.

Senator MONTROYA. If the alternatives aren't profitable does your office intend to increase your requests for facilities improvement?

Commissioner THOMPSON. Based on the need, future budget requests will include an increase for facilities improvement.

#### FACILITIES IMPROVEMENT BACKLOG

Senator MONTROYA. Is it true that the BIA has a backlog in excess of \$100,000,000 in facilities improvement projects?

Commissioner THOMPSON. Our update of the backlog in 1976 will no doubt indicate a higher figure but only \$70 million backlog was reported in June 1975.

Senator MONTROYA. It is true that the Navajo area has over \$70,000,000 in backlog projects and their backlog nearly reaches \$100,000,000?

Commissioner THOMPSON. Our June 1975 facilities improvement backlog report for the Navajo area indicated \$13 million backlog which is a very conservative figure.

Senator MONTROYA. Is it true that many, if not most, of these projects were items that were left out of construction projects of prior years? That they are projects that will allow the BIA to comply with the aforementioned laws? That they are necessary to preserve the Government facilities that have already been built?

Commissioner THOMPSON. Some of the projects are related to the compliance of the laws and to major alterations and improvements of existing Bureau facilities.

Senator MONTROYA. Did your office recently request the reduction of the facilities improvement funding for fiscal year 1977 from approximately \$6,000,000 to \$1,000,000?

Commissioner THOMPSON. Within our budget limitation for fiscal year 1977, it was necessary to reduce construction in order to provide funds for our new program starts.

#### DISTRIBUTION OF FACILITY MANAGEMENT FUNDING

Senator MONTROYA. What does your office propose to do to insure an equitable distribution of facility maintenance funding in the future?

Commissioner THOMPSON. We will examine the current procedure for allocation of funds and make changes if necessary to insure an equitable distribution of funds.

Senator MONTROYA. What does you office propose to do about the serious underfunding and the consequent deterioration that has occurred in the Navajo area and probably on several other low-funded areas in the BIA?

Commissioner THOMPSON. We are making an evaluation of needs throughout the Bureau and plan to request funds in fiscal year 1978 and subsequent years to take care of the deficiencies.

Senator MONTROYA. Have you sent anyone to the Navajo area or responded constructively in any other manner to noncompliance with the laws and regulations mentioned earlier?

Commissioner THOMPSON. Each area is responsible to comply with the laws and regulations as it relates to their programs. Lack of funds have made it difficult for the area to respond completely. An evaluation of Bureau needs is currently underway and a concerted effort will be made to assist the Navajo area as well as other locations in the Bureau to comply with the laws and regulations.

Senator MONTROYA. Have you taken any action to deal with the problems of Navajo area facilities management?

Commissioner THOMPSON. We are in the process of studying the problems associated with the facilities management program on the Navajo.

#### INDIAN FINANCING ACT

Senator MONTROYA. Your requests for the Indian Financing Act are spread over three accounts and several activities. Please supply a consolidated statement showing all phases of the Financing Act funding in this budget for 1975, 1976 and 1977.

Commissioner THOMPSON. The consolidated statement of funding for the Indian Financing Act is as follows:

[Dollars in millions]

	1975	1976	(Requested) 1977
Revolving loan fund .....	\$38.0	\$3.0	.....
Loan guaranty and insurance .....	20.0	10.0	\$20.0
Indian business development program .....	10.0	8.5	8.5
Administration .....	3.0	3.2	3.3

Senator MONTROYA. What is the total cost estimated in 1977 for administering all phases of the Indian Financing Act?

Commissioner THOMPSON. The total administrative cost estimated for 1977 is \$3,277,000 from operation of Indian programs plus \$1,600,000 from the loan guaranty and insurance program for an estimated total of \$4,877,000.

Senator MONTROYA. You are requesting \$8.5 million for business grants in fiscal year 1977, the last year of the grant authorization. Does that meet the full authorization?

Commissioner THOMPSON. No, the \$8.5 million request does not meet the full authorization of \$10.0 million which could easily be used. However, the request for \$8.5 million for 1977 is in line with the 1976 appropriation of \$8.5 million made by Congress which was a reduction of \$1.5 million from our 1976 request.

## DIRECT LOANS

Senator MONTROYA. No additional funds are requested for the revolving fund for direct loans, and I understand \$9 million of the \$50 million authorization is unfunded. When does that authorization expire?

Commissioner THOMPSON. There is no year limitation on the \$50 million authorization according to section 108, title I of the Indian Financing Act, Public Law 93-262. For this reason the remaining \$9 million is not requested for 1977. Further, we believe the direct loan fund is adequately funded through fiscal year 1977.

Senator MONTROYA. Is a \$14.3 million loan program for 1977 realistic?

Commissioner THOMPSON. We believe that \$14.3 million is realistic for 1977 in view of the increased activity in the loan guaranty program. A number of large loan requests are being channeled through the loan guaranty program which somewhat reduces the direct loan needs.

## LOAN GUARANTY

Senator MONTROYA. Do you feel the final \$20 million requested for the loan guaranty and insurance fund is necessary? Your reserves seem to be quite large and I note the Department did not request this appropriation.

Commissioner THOMPSON. We believe the final \$20 million for this program is very necessary. According to the Indian Financing Act, Title III, \$20 million was authorized for each of fiscal years 1975, 1976 and 1977, making each a 1-year authorization. Congress reduced the 1976 appropriation to \$10 million which reduced our lending capability by an estimated \$20 million to \$25 million. The loan guaranty program has become very active with approximately 50 lenders executing loan guaranty agreements with the Bureau and 25 loans approved as of March 31, 1976. We have several other loans in process of approval and several others in the initial state of preparing packages. One of these loan requests to be submitted is for \$19.5 million.

Our reserves under this program are quite large at this time primarily because when the program was initiated in July 1975, lenders were showing little interest in making loans to new customers apparently because of the economic situation at that time. Since the economy has improved within the last year activity in the program has increased significantly.

It is true that the Department did not request this \$20 million appropriation for 1977 because, as we understand it, we had large reserves and in an effort to hold down the funding for the Department. Fortunately, however, OMB did reinstate the \$20 million request.

If the \$20 million authorized is not appropriated it will be lost, as the \$10 million reduction in 1976 is lost, unless the Congress reauthorizes the funds. Although the full \$20 million may not be obligated in 1977 it is essential that we receive the appropriation to increase our lending capabilities and to be able to meet future needs of the Indian communities and individuals.

Senator MONTROYA. Do you expect use of the loan guaranty to accelerate?

Commissioner THOMPSON. We expect the loan guaranty activity to accelerate rapidly based on the activity in the last several months. We are receiving new inquiries from tribes and requests from lenders for guaranty of loans almost daily. As of March 31, 1976, we have loan guaranty agreements with some 50 lenders, and this is only during the 9 months of the program

#### NAVAJO-HOPI SETTLEMENT

Senator MONTROYA. The BIA's request for the Navajo-Hopi settlement programs is \$2 million—roughly the same as 1976. The justifications appear to be self-explanatory. Will this budget proposal permit the Bureau to meet the responsibilities set forth in Public Law 93-531?

Commissioner THOMPSON. Public Law 93-531 authorized \$10 million for stock reduction and land restoration. In the fall of 1976, the administration requested \$6 million to establish the capability to accomplish stock reduction as rapidly as conditions permit and at the same time begin a 5-year phased program to restore the land. Present plans and appropriation levels call for the stock reduction and land restoration both to take place over the 5-year period.

Senator MONTROYA. Is the program moving on schedule?

Commissioner THOMPSON. All stock owners in area 5a of joint-use area have been notified of the need to reduce their livestock holdings and comply with grazing regulations for that area. Procedures have been established for the purchase of livestock on a voluntary basis in hope of precluding the need for impoundment. Now that the fiscal year 1976 appropriation is available, we anticipate that the stock reduction and land restoration will proceed without further delay.

Senator MONTROYA. What are the estimated future needs to complete the Interior Department's responsibilities in the settlement program?

Commissioner THOMPSON. The Bureau's responsibilities in the program are confined to stock reduction and land restoration. To meet these responsibilities, Congress has authorized \$10 million and we estimate that this entire amount will be required in the future.

#### ADDITIONAL QUESTIONS

Senator MONTROYA. We have quite a few other questions on the details of your budget proposal that we would like to submit so that you can answer them for the record.

We also have questions submitted by Senators McGee, Magnuson, Pearson, and Abourezk which we will pass along. They are also to be answered for the record.

[The questions and answers follow:]

## SUBMITTED COMMITTEE QUESTIONS

School Operations

Question: The additional \$1.5 million provided by Congress for aid to previously private schools was used, according to your justification, to assist four boarding schools and six day schools. Please detail which schools and the amounts going to them.

Answer: The four boarding and six day schools qualified for assistance in FY 1976. Of the ten schools, one boarding and one day school were fully funded according to the standards for the distribution of the \$1.5 million provided by the Congress. The following eight previously private schools were included in the \$1.5 million.

<u>Name/Location</u>	<u>Type</u>	<u>Amount</u>
Hammon, Hammon, Okla., 73750	Day	\$ 12,248
Ojibway, Belcourte, N.D., 58316	Day	29,096
St. Francis, St. Francis S.D., 57572	Boarding	386,591
Paschal Sherman, Omak, Wash.	Boarding	299,854
Couer d'Alene, DeSmet, Idaho	Day	35,800
Marty, Marty, South Dakota	Boarding	568,100
Ft. Hall, Ft. Hall, Idaho, 83203	Day	29,200
St. Stephens, St. Stephens, Wyo.	Day	125,000

Question: What funding would be needed to maintain this level of assistance in FY 1977?

Answer: To maintain the same level of assistance to the eight schools participating in the distribution of the \$1.5 million appropriated in FY 1976, an amount of \$1,820,497 would be required. This amount would provide a level of support at the budget standard for previously private schools proposed in draft regulations.

Question: What is the total need in the area of assistance to formerly private schools?

Answer: The total need in the area of assistance to previously private schools in FY 1977, as expressed by the tribes, is \$6,163,034. Of this amount, \$1,659,622 is requested in this budget for full or partial support of ten schools which have been funded in the past by the Bureau under contracts.

Question: Included in your justification for increased funds to new school facility operations is \$1.4 million for Gray Hills High School. Why is the operating cost of this expanded facility so high?

Answer: This is a rather large expansion to the facility - adding spaces for 500 students. It is a boarding school facility on top of that. In addition, there will be some front end expenses, stocking up, start up costs, etc., which will bring the first year operational costs up to that estimated amount.

Higher Education

Question: Your higher education increase apparently includes a \$1.5 million increase for operating the Navajo Community College, based on tribal priorities. Apart from tribal priorities, please justify this 50 percent increase.

Answer: The \$1.5 million increase is due to the increased enrollment and operating costs. The estimated increased enrollment is approximately 500 and the increased grant per student is approximately \$400. This is comparable with operating costs of similar institutions operated by the Bureau.

Adult Vocational Training

Question: Part of your requested increase for adult vocational training is to "reduce the socio-economic impact in the Navajo-Hopi disputed area." Please expand on that. How will that program operate?

Answer: The Navajo-Hopi Settlement Act authorizes the Secretary to immediately commence reduction of the numbers of livestock to the carrying capacity of the land. The Act has no provisions for relief programs during the interim period between the actual implementation of the reduction program and the final settlement or subsequent relocation. Individuals will be affected by the loss of traditional means of support, status, and usefulness. These individuals will be forced into idleness for a period of one to five years. To eliminate these conditions, adult vocational training programs will be initiated through the local chapters. These programs will assist Indian individuals to obtain vocational skills so they can compete for a job on an equal basis with other citizens. Participants will be offered assistance in community living, money management and housing. Funds will be provided for transportation to place of training, subsistence enroute maintenance during training, tuition and related costs.

Indian Services

Question: Your Indian Services activity shows an increase of 62 positions. How are those new positions allocated among the subactivities?

Answer: The total of 62 is a net amount resulting from decreases of 2 positions in aid to tribal governments, 7 in social services, 7 in law enforcement, 2 in housing, and an increase of 80 in self-determination. The difference between the 48 self-determination positions justified in the text and this total of 80 is attributed to those positions that will be required in the field in the area of grant and contract administration associated with P.L. 93-638, but which will not be identified to a self-determination unit as such.

Social Services

Question: Your requested increase for social services seems high. How much of the \$5.8 million increase is for assistance payments and how much for administrative costs?

Answer: Out of the increase, \$990,000 is for social service staff and administration, and \$4,887,000 or 83 % is for assistance payments.

### Law Enforcement

Question: Your law enforcement program, after a large increase in 1976, remains at essentially the same level. Yet we are told that some retroceded tribes still are not getting adequate assistance. What is the situation?

Answer: The budget for FY 1976 and the proposed budget for FY 1977 each are at the \$24 million level. However, this \$24 million level only became available a few months ago and is currently being programmed in the field. The funding was based on the minimum adequate level for law enforcement in the Indian Criminal Justice Survey. If the survey recommendations are ever fully implemented it would cost about \$38 million per year for an exemplary program or an increase of \$14 million over the current level.

In making the allocation for FY 1976, special set asides were provided to assure at least minimum adequate programs in newly retroceded areas. For instance, \$530,000 was added to the Phoenix allocation to provide programs in the retroceded area of Nevada. Therefore, all retroceded areas should have resources equal to those available to regular program areas and this should provide at least a minimum adequate program.

Question: Please supply details on any unmet law enforcement needs under your 1977 budget.

Answer: With the funding provided by Congress in FY 1976 and 1977 for law enforcement, it will be possible to provide a program which closely matches the minimum adequate level of the Indian Criminal Justice Survey (ICJS). The major emphasis at this level is an enforcement program. The exemplary level of the ICJS amounted to \$38 million which is an increase of \$14 million over the current level. Unmet needs that it would fund are a further improvement in enforcement and investigation through additional staff. It would also meet a glaring need in providing a juvenile officer at each location. Probably the greatest need is in the area of probation and parole activity which is virtually non-existent now. Under the \$38 million program each court would have two probation and parole officers. Joint staff would be augmented with matrons without which any detention ought not operate if they have female prisoners. Cooks will be added to the detention staff so that prisoners do not have to be used as cooks which will improve health and sanitary conditions.

A very large unmet need is related to tribal funding equity. The FY 1976 and 1977 levels provided are half the funding amount that tribes were then providing on their own for law enforcement. However, this still means that some tribes are contributing tribal funds while others have all their funding provided by the Government. Another \$2 to \$3 million is required to completely take over their responsibility and establish complete tribal funding equity.

### Housing

Question: Your Housing Improvement program request includes an estimate of \$3,670,000 for technical and administrative assistance. How does that compare with 1975 and 1976?

Answer: The costs for technical and administrative assistance to tribes under our housing services program in FY 1975 was \$2,801,000 and it was \$3,148,000 in FY 1976.

#### Self-Determination Services

Question: Your justification of Indian Self-Determination grants mentions incentive funding. What level of incentive funding do you anticipate?

Answer: The total level of funding planned to be available for incentives to small tribes is \$3,660,000. It will be used to permit small tribes to qualify for self-determination grants large enough to fund viable projects that have a chance of succeeding. No small tribe or combination of tribes will be entitled to incentive funding of more than \$13,750 however.

Question: Your justification states on page 21-22 that 48 new positions are needed for self-determination training and assistance. On page 23 the number is 58. Which is it?

Answer: The figure of 58 on page 23 is a missprint and should be 48.

#### Business Enterprise Development

Question: You cite a \$167,000 reduction in business enterprise development as a reduction in technical services according to tribal priorities. Which services were reduced?

Answer: The \$167,000 reduction in business enterprise development resulted from reduced requests from tribes for technical services as reflected in tribal priorities (band analysis). These services normally involve making available to the tribes consulting services for such projects as feasibility studies and market analyses.

#### Loan Programs

Question: What does the \$3.2 million request for the credit sub-activity buy? How much is for administering the revolving fund and what is the balance used for specifically?

Answer: The \$3.2 million is to pay salaries, travel, transportation, supplies and materials, and related costs for the credit operations staff. These funds are related to the staff on board prior to passage of the Indian Financing Act. These personnel are actively engaged in all programs under the Indian Financing Act and not only the revolving loan fund.

Question: Can you assure the Committee there is no duplication between the credit subactivity and other Indian Financing Act programs?

Answer: No funds have been requested under the credit sub-activity to fund work to be done for which funds have been requested under the Loan Guarantee and Insurance Program. Administrative expense funds of \$1.6 million requested under the Loan Guaranty Program are for funding 72 additional positions authorized to handle the increased activity created by the Indian Financing Act. Personnel funded by the

credit subactivity and the loan guaranty fund are actively engaged in administering all programs under the Act.

Forestry and Agriculture

Question: Supply a breakdown of fund allocations within your forestry and agriculture subactivity. Give comparative figures for 1975, 1976, and 1977.

Answer: The breakdown of fund allocations within forestry and agriculture is as follows:

	<u>FY 1975</u>	<u>FY 1976</u>	<u>FY 1977</u>
Agriculture	14,692	16,848.8	18,389.1
Forestry	7,687	8,497.5	8,918.5
Water Resources	-	31.9	962.0
Wildlife and Parks	318	570.9	577.4
Fire Suppression and Emergency Rehab. 1/	<u>800</u>	<u>800.0</u>	<u>800.0</u>
	<u>23,497</u>	<u>26,749.1</u>	<u>29,647.0</u>

1/ Token amount only.

Question: Most of your water resources funding seems to be devoted to the Navajo Tribe. If so, why aren't other tribal needs considered?

Answer: All tribes are given the opportunity to participate in formulation of the budget affecting their reservation. The budget request submitted by the Bureau of Indian Affairs reflects the priorities of each tribe.

The Navajo Tribal Council considered water developments to be of sufficient importance to its people to give them priority over some other programs in the budget request. All other tribes have the opportunity to exercise the same option.

Minerals, Mining, Irrigation and Power

Question: Supply a breakdown of funding for mineral and mining and irrigation and power. Include 1975 and 1976 comparisons.

Answer: The breakdown of funding for these projects are as follows:

	<u>FY 1975</u>	<u>FY 1976</u>	<u>FY 1977</u>
Minerals and Mining	\$1,000.0	\$1,264.4	\$1,591.3
Irrigation and Power	<u>2,155.0</u>	<u>2,941.6</u>	<u>2,915.7</u>
	<u>\$3,155.0</u>	<u>\$4,206.0</u>	<u>\$4,507.0</u>

Question: What are the revenue estimates for mineral activities for the same year?

Answer: Our records indicate a figure of \$85,820,000 was received in royalty income from mineral activities in FY 1975. It is estimated that this figure should be about \$90 million for FY 1976.

#### Indian Action Teams

Question: The justification states on page 47 that Indian Action Team projects completed to date are valued at about \$5 million. What has been the Federal spending in support of those projects to date?

Answer: Indian Action Team projects completed to date are valued at about \$18 million, not \$5 million. The Federal spending in support of those projects to date has been just over \$25 million.

#### Management and Administration

Question: What are the "field priorities of program planning and development" for which you are requesting \$16,000 increase?

Answer: The \$16,000 increase for field priorities in program planning and development represent small increases throughout the Areas and Agencies to provide workshop materials and supplies to assist the various Indian groups in the preparation and presentation of their budgets. With continued emphasis on Indian self-determination, program planning and development at the field level plays a significant role in providing expertise and assistance, upon request, in translating tribal priorities into the Federal budget structure.

Question: What is the total funding for this work?

Answer: The total funding for this program is \$3,531,500.

Question: Your justification for the \$276,000 reduction in management and administration, page 54, adds up to \$143,600 decrease. Please provide corrected figures.

Answer: The actual reduction in postage is \$342,200, making the net decrease in management and administration \$276,000.

Question: Aside from Congressional changes, why was it necessary to make such sharp increases in your 1976 estimates for transportation and for rent, communications and utilities? They went up a total of \$8.5 million from your original estimates last year.

Answer: Increases in estimates for transportation, rent, communications and utilities were sharply increased to reflect current cost trends. Estimates prepared in advance are at most estimates. Actual obligations for transportation increased 17 percent from 1974 to 1975; rents, communications and utilities in this same period increased 97 percent.

Question: Please explain the \$3.1 million increase for other services and the \$18.2 million drop in grants from your original estimates for 1976 obligations.

Answer: In preparing the original estimates for FY 1976, we had anticipated a sharper acceleration in the grant program which did

not occur. After actual obligations for FY 1975 were reported we attempted to bring estimates closer in line with the way our funds are actually being obligated.

#### Facilities Management

Question: Concerning your requested increase of \$1.8 million for repair and maintenance of existing facilities, what was the 1976 funding level?

Answer: An increase of \$1,115,000 for repair and maintenance of existing facilities was received in FY 1976.

Question: Your justification states the facility management request will provide a "60 percent level of repair and maintenance." What does that mean exactly?

Answer: With the budget constraints we are only able to accomplish 60 percent of our workload in the repair and maintenance program.

Question: What additional funding would be needed to cover all repair and maintenance needs?

Answer: The total fiscal year 1977 requirement for the Operation and Maintenance program is \$77,000,000. This would provide funds to meet the increased cost of fuels and utilities; increase the level of maintenance; and assist in reducing major repair backlogs. Need is based on funding which could be handled with existing staff.

The \$77,000,000 does not include \$5,441,000 for GSA leased space.

#### GSA Space Rental

Question: Your space cost request was cut by \$570,000. Was this reduced amount excess? If so, why?

Answer: The Bureau of Indian Affairs has not been billed in excess of the \$5,130,000 authorized for rental of space.

#### Employment

Question: Is that the actual BIA employment increase, or is it higher? Please supply man-year figures for 1976 and 1977.

Answer: On an overall basis the BIA employment is projected to decrease. Man-years for FY 1976 are projected at 13,401 and 13,369 for FY 1977; a decrease of 32.

#### Travel Reduction

Question: You seem to have ignored the \$350,000 cut in travel imposed by the Committee in FY 1976. Please explain.

Answer: The final budget documents were prepared prior to the enactment of the 1976 appropriation. The short time frame for adjustment of these documents prior to final printing did not allow for

appropriate allocation of reductions to all Bureau programs. However, this reduction of \$350,000 has been reflected in all documents allocating total Bureau funds.

Question: Please explain your \$1 million travel increase requested in FY 1977.

Answer: The \$1 million increase in travel is attributable to increased costs of GSA rental vehicles, increased airline fares and per diem allowances, and travel of personnel in connection with implementation of P.L. 93-638, Indian Self-Determination and Educational Assistance Act. The Bureau is committed to the policy of renting GSA vehicles for busing school children and official travel in performance of assigned work. GSA rental costs have been increasing over the past three years. It is estimated that this cost to the Bureau has increased in excess of \$500,000. No additional funding has been requested for this purpose; the Bureau having absorbed the increase through curtailments in purchase of supplies, equipment, etc. The same situation is true in the absorption of the 5 percent increase in airline fares and the almost 30 percent increase in per diem rates. This is estimated to have cost the Bureau well over \$200,000 which has also been absorbed. Increased costs of transportation and per diem of firefighting personnel has also been absorbed, costing us \$20,000 additional. A total of \$760,000 of the \$1 million increase in object class 21 is through transfer of funds from other object classes. An increase of \$240,000 is requested for travel of new personnel in conjunction with implementation of P.L. 93-638.

#### Vehicles

Question: You are requesting purchase of 138 passenger vehicles, 107 of them for replacement. Why do you need 31 additional vehicles?

Answer: The vehicles in question are school buses and police cars. The budget will provide for 21 replacement school buses and 117 police cars of which 86 will be replacement and 31 additional. The increase in police vehicles is associated with the improved law enforcement program which is currently being implemented and will be used to expand the patrol capability of the Bureau police units, and provide locations of additional police vehicles.

The location of the 31 additional police vehicles will be:

<u>Location</u>	<u>Number</u>
Aberdeen Area	5
Albuquerque Area	4
Billings Area	1
Minneapolis Area	8
Navajo Area	6
Phoenix Area	7
	<u>31</u>

#### Construction

Question: In your \$1 million request for facility improvements, you have an estimated \$70 million backlog. Are you planning to take 70 years to handle the backlog?

Answer: From FY 1974 to 1977 the backlog increased 50 percent from \$46,000,000 to \$70,044,000, an increase of about 13 percent per year. This is due to increased age of facilities and lack of maintenance and major repair because of increased utilities and service operation costs.

Question: What levels of facility improvement funding would be required to erase that backlog in, say, 10 years?

Answer: Funding for the next ten fiscal years of \$10,000,000 for each fiscal year or 14 percent of FY 1977 backlog. Since the backlog is increasing 12 to 13 percent each year, funding at 14 percent would enable us to keep up with the backlog. When some of the older facilities are replaced or completely renovated under the Facility Construction program, the backlog should start to decrease.

#### Construction

Question: Your \$1 million request for construction of the Pine Ridge rehabilitation center includes alcoholism treatment. Aren't you getting into the Indian Health Service's jurisdiction?

Answer: The proposed facility will include space where the tribe and IHS can provide counseling and other alcoholism programs for persons who are under detention. The IHS does not have the facilities or the authority to provide detention in their hospitals. The actual alcoholism program will be provided by IHS and the tribes themselves.

Question: Please provide more information about the alcoholism treatment plan at the Pine Ridge Center -- facilities, operating costs and the like.

Answer: The facility under construction will provide space for an alcoholism program which will be developed by IHS in conjunction with the tribe. At this time we do not have the information you are requesting, but it will be available when the building program is completed and the actual program is formulated.

Question: Your 1976 estimate for supplies increased 60 percent, and the footnote explanation supplied to the Committee states "increase in level of program." Please explain this program increase of \$1.5 million.

Answer: The increase in supplies was primarily due to the fact that the original 1976 estimates were based on a \$38.6 million construction program level while the revised estimate amount reflects a \$51.9 million program including funds for prior year projects. Also considered were cost trends based on 1975 actual experience.

Question: Please explain why your original 1976 estimates for printing, other services and equipment more than doubled under your construction account. The footnote explanation supplied the Committee is inadequate.

Answer: The increase in the revised estimates for fiscal year 1976 over the original estimate is because the current figures include funds for prior year projects totaling \$44.2 million and to reflect current cost trends based on 1975 actual experience.

The original 1976 estimates were based solely on requests for new projects.

Roads Construction

Question: Your 1976 estimates for roads construction also changed considerably, and total obligations have increased more than \$800,000. In some instances, your original estimates were off more than \$5 million. Please provide a detailed explanation.

Answer: A year has lapsed since the original estimates were made. The \$800,000 represents a shift from the allocation to the Federal Highway Administration to the obligation by the Bureau of Indian Affairs. It means that not as much work as originally anticipated will be done on the roads program by the Federal Highway Administration. The increase of more than \$5 million from the original estimate in object class 25 "Other Services," which includes contract operations, reflects a faster shifting of the program to a contract type of operation from a force account operation. Note that there is an off-setting reduction in the object class 32 "Lands and Structures" item which is used for the force account type of work.

## QUESTIONS SUBMITTED BY SENATOR M'GEE

*Question.* As you know, in fiscal 1976 appropriations for BIA \$1,500,000 was included for Indian contract school support. The Conferees stated that these funds were to assist formerly private schools in becoming contract schools. Yet I notice that the BIA fiscal 1977 budget does not include any request for funds to continue supporting newly contracted schools. Among those schools is St. Stephens in Wyoming. Why were no funds included in this budget request?

*Answer.* Under the constraints of the total budget request, it was not possible to include all programs in this year's appropriation request—especially at the expense of other on-going programs.

*Question.* According to my information St. Stephens could effectively utilize \$377,482 of BIA funding in fiscal 1977. Yet the Bureau estimates that only \$267,000 would be required. Please provide a complete justification of your support figures for St. Stephens to this Committee.

*Answer.* The Bureau is in the final phases of promulgating rules and regulations for the funding of previously private schools in accordance with P.L. 93-638. These regulations set forth criteria for determining priorities of which schools will be funded. The regulations also set forth budget standards for determining the level of funding for a given year. We feel it is absolutely mandatory that a system of priority criteria and equity funding be followed for all schools that may apply for funding. We recognize that the need of any given school may be greater at any point in time; however, with a potential of our 100 previously private schools seeking financial assistance over the next few years, an equitable funding system must be followed, a system using standards recognized in the profession.

In the case of St. Stephens the application of the budget standard for the projected number of students in fiscal year 1977 results in an estimated tentative allocation of approximately \$267,000 for basic education purposes. Should the number of students depart significantly from the estimate the tentative allocation would be adjusted commensurately.

*Question.* What is the Bureau of Indian Affairs' policy regarding support for previously private schools that have qualified for contract status? Why are these schools forced to exist on the annual appropriations whims of the BIA? Explain this policy in detail.

*Answer.* The funding of previously private schools is, of course, a new program with no previously established funding base. Within available resources, the Administration did not consider the program to be of high enough priority to be funded at the expense of other on-going programs.

*Question.* Last year, language was inserted in the Conference Report which directed BIA to contract law enforcement activities through Indian Law Enforcement Agencies. Please provide a complete report as to how this contracting procedure is progressing. What is the status of the Navajo/BIA contractual arrangement?

*Answer.* Law enforcement is one of the programs which the Bureau has in the past had success in contracting with tribes. The low level of appropriations available however may have been an inhibiting factor since many tribes felt that the program was so under-funded that they could not justify tribal takeover. We feel this situation has changed now with the recent increase from \$12 million to about \$24 million for the total program. Also the passage of P.L. 93-638, the Self-Determination Act will certainly enhance contracting of law enforcement since it clearly sets forth contracting as a tribal right unless the Bureau proves that the tribe is incapable of meeting certain standards as specified in the Act.

We have asked that each area report to us during April on the progress being made in programming the law enforcement appropriation which was recently allocated to the field. When we consolidate the area reports we will provide the results to this committee. At Navajo the current situation is that the tribe has been informed of the breakout of the FY 1976 funding and offered the opportunity to contract. The tribe has asked for a clarification of the amount earmarked for agency and area office operations and further negotiations have not as yet taken place. The funding breakdown is as follows:

Police and Jail Operations.....	\$1,450,000
Courts.....	358,000
Prevention Programs.....	253,000
Traders Regulation Office.....	37,000
Area and Agency Operations.....	570,000
Total.....	\$2,668,000

*Question.* In the fiscal 1977 budget request there is \$68.5 million obligational program in the Indian Roads Program. What specific construction projects will be undertaken or completed in Wyoming during this period?

*Answer.* The construction projects to be undertaken in Wyoming are Maverick Spring Pavilion for \$864,000 and Crow Creek Bridge for \$35,000.

#### QUESTIONS SUBMITTED BY SENATOR MAGNUSON

*Question.* As you will recall, the Senate Committee's report on the fiscal year 1976 Interior Appropriations Act contained the following language at page 22:

"A matter of great concern to the Committee is the deteriorated housing conditions and the inadequacy of law enforcement in the Shoalwater Bay tribal community, Washington. The BIA is directed to take immediate action to correct these serious problems and to request supplemental funding if needed."

What specific action, if any, has BIA taken in accordance with the Committee's directive? What specific action is necessary to deal with the housing and law enforcement problems in the community? Will BIA take that action during fiscal year 1977? What additional amount of funds over the President's budget requests would be necessary to permit BIA to take that action?

*Answer.* The Shoalwater Bay Reservation consists of 334.75 acres of land situated in Pacific County, Washington. It has a permanent population of approximately 25 people. Washington State Highway No. 105 goes through part of the reservation for a total of 1.1 miles. A side road leading off of Highway No. 109 to Tokeland, Washington covers .3 of a mile, giving the overall roadway of 1.4 miles. Businesses within the reservation are two smokeshops and one gift shop.

During the course of the past 18 months, there were three requests from the tribe for enforcement assistance. Enforcement personnel from our Hoquiam Field Station responded and found two family disturbances and one other that was turned over to the Branch of Social Services. The County Sheriff's office received no calls from the reservation during the past 12 months. The Assistant Superintendent offered the services of a BIA policeman on a once-a-week basis; however, he received no response from the tribe.

The present law and order coverage in the Shoalwater Bay Reservation is as follows:

"The tribe has employed a policeman through funding from CETA. The employment of the policeman was from November, 1975, and will run through June 30, 1976. The tribe has requested the same funding from CETA for fiscal year 1977. General enforcement assistance can be rendered by the Hoquiam staff on a limited basis as indicated above. Investigations of major crimes can be done fully by the criminal investigator at Hoquiam and the FBI. Three Deputy Special Officers' Commissions have been issued to the Pacific County Sheriff's office and as a result, they are in a position to assist on the reservation."

Pursuant to Public Law 280, the State of Washington assumed jurisdiction over eight areas of Law (Sec. 37.12.010 RCW):

Compulsory School Attendance, Public Assistance, Domestic Relations, Mental Illness, Juvenile Delinquency, Adoption Proceedings, Dependent Children, and Operation of Motor Vehicles Upon the Public Streets, Roads, and Highways.

Consequently, the State and County have the responsibilities in those areas of law.

It is our opinion that the employment of one policeman with operating expenses can sufficiently maintain law and order on the reservation. He would be assisted by the FBI and BIA Criminal Investigator for major crimes, BIA police assistance from the Hoquiam office on a limited basis, the Pacific County Sheriff's office and the State Patrol on the public highways. A BIA judge can be assigned from the nearby Quinalt Reservation to process cases.

The present status of housing on the Shoalwater Bay Indian Reservation remains relatively unchanged from the report the Tribe made to Congress. Since the date of the report the Shoalwater Bay Indian Reservation became a part of the Southern Puget Sound Inter-Tribal Housing Authority and have been allocated eight new housing units under the HUD program. In addition the housing improvement program has scheduled one house for renovation in fiscal year 1976. Therefore, it appears the basic needs for this fiscal year are being met.

However, there is an unmet need for single party residents and HUD and other sources of finance will not provide monies to tribes for one bedroom units for the unmarried adults. If the Housing Authority can justify a need for the elderly such a program can be submitted to and funded by HUD."

## QUESTIONS SUBMITTED BY SENATOR PEARSON

*Question.* In fiscal year 1975, approximately \$2.85 million dollars was appropriated for construction for Haskell Institute. At that time, the BIA's architectural engineer estimated that two new dormitories could be constructed for that amount. When bids were opened on December 18, 1975, the low bid was \$3.78 million. Consequently, a contract was recently awarded for only one dormitory.

Would you please expound upon the reasons as to why a hardship would, or would not, be imposed upon Haskell unless a second dormitory is constructed?

*Answer.* The dormitory now under construction at Haskell will partially relieve the students who are now housed in Tinker Hall which is in deplorable condition with leaking roofs, inadequate toilet facilities and a threat to the health of the students.

The second dormitory is also urgent to relieve students now housed in barrack type dormitories with extremely poor ventilation and without air conditioning. It is also needed to eliminate the overcrowded condition in the women's dormitory.

*Question.* Am I correct that Haskell is the only fully accredited Native American Indian Junior College in the United States that is funded directly by the BIA?

*Answer.* Haskell is the only fully accredited Native American Junior College in the United States that is fully funded directly by the Bureau of Indian Affairs.

*Question.* Would it be possible for Haskell to hold a summer session this summer if adequate dormitory facilities were available?

*Answer.* It would appear that existing dormitory facilities would be adequate to conduct a summer program with a limited enrollment. However, in a geographical location with extreme temperatures and humidity problems it is not reasonable to expect students to function properly under these conditions.

*Question.* How much money would be needed to complete the project as originally planned; i.e. for construction of the second dormitory?

*Answer.* Construction of the second dormitory would require \$1,600,000 in addition to the \$600,000 currently available. These figures are based on anticipated construction costs in fiscal year 1977.

*Question.* If \$1.4 million in construction money was appropriated for Haskell in fiscal year 1977, would you please state whether or not the BIA would recognize the need to construct a second dormitory at Haskell?

*Answer.* If the \$1.6 million was made available and earmarked for the Haskell dormitory in fiscal year 1977, the Bureau would proceed with the project.

## QUESTIONS SUBMITTED BY SENATOR ABOUREZK

*Question.* Concerning the Bureau's request for \$14 million for the Indian Action Team program, it is understood that requests for participation by Indian tribes total \$38 million. Is that correct?

*Answer.* It is correct in the sense that we anticipate the projected proposals will total that amount. During the recent national conference the \$38 million was identified by the tribal delegates, not by the Bureau.

*Question.* If it is true that the requests for participation far exceed the Bureau's budget proposal, why were these requests not considered?

*Answer.* We did talk about them, but since the fiscal year 1976 Indian Action program cuts were imposed by Congress and funded at greatly reduced levels, and because of Bureau budget ceilings, we did not think it very realistic to go forward with a request for such a substantial increase.

*Question.* How many new requests for participation in the program will have to be denied under the Bureau's budget?

*Answer.* At this point between 70 tribes have applied for Indian Action Programs in fiscal year 1977. These requests would have to be denied under the present budget estimates.

## SUBCOMMITTEE RECESS

Senator MONTROYA. We will be in recess until 10 o'clock tomorrow morning when we will hear the witnesses on Indian health. You may be excused. You and your staff. Thank you.

Commissioner THOMPSON. Thank You.

[Whereupon, at 12:14 p.m., Tuesday, March 9, the subcommittee was recessed, to reconvene at 10 a.m., Wednesday, March 10.]

DEPARTMENT OF THE INTERIOR AND RELATED  
AGENCIES APPROPRIATIONS FOR FISCAL YEAR  
1977

WEDNESDAY, MARCH 10, 1976

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. Joseph M. Montoya presiding.  
Present: Senators Montoya and Stevens.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

OFFICE OF EDUCATION

INDIAN EDUCATION

STATEMENT OF DR. WILLIAM G. DEMMERT, JR., DEPUTY COMMISSIONER FOR INDIAN EDUCATION

ACCOMPANIED BY:

DUANE MATTHEIS, EXECUTIVE DEPUTY COMMISSIONER, OFFICE OF EDUCATION  
LEROY ANTELL, DIVISION DIRECTOR, OFFICE OF INDIAN EDUCATION  
DR. GABE PAXTON, DIVISION DIRECTOR, OFFICE OF INDIAN EDUCATION  
HERBERT JACOBSON, ACTING PLANNING OFFICER, OFFICE OF INDIAN EDUCATION  
CORA BEEBE, DIRECTOR, DIVISION OF PLANNING AND BUDGETING, OFFICE OF EDUCATION  
BILL FLOYD, EXECUTIVE OFFICER, OFFICE OF INDIAN EDUCATION  
WILFORD J. FORBUSH, DEPUTY ASSISTANT SECRETARY, BUDGET

INTRODUCTION

Senator MONTAYA. The subcommittee will be in order.

First, I want to apologize for being half an hour late, but I had a meeting of the Public Works Committee where I have to manage the economic development bill, and we are trying to mark it up and get it ready for action. That is what delayed me. I have been in there for an hour.

Today we will begin with the Office of Indian Education. The budget request for Indian education is some \$42 million, the same as last year's fiscal 1976 budget request and \$15 million below the appropriation provided by Congress.

The justification for the 1977 budget estimates has been included in part 2 of the hearing record.

PREPARED STATEMENT

Dr. Demmert, your full prepared statement has been included in the record. Will you please proceed to highlight the statement after introducing those with you at the witness table.

[The statement follows:]

Mr. Chairman and Members of the Committee:

I am very happy to be here today to present to you our proposed fiscal year 1977 request for Indian Education. As you know the intent behind the Indian Education Act of 1972 is to meet the special educational needs of Indian children and adults. Among those major educational problems to be addressed are low achievement and high dropout rates, combined with specialized needs created by rural isolation, urban assimilation, cultural differences, and the desire to retain an Indian identity. These special educational needs are addressed through a variety of approaches including supplementary educational services, experiments, demonstrations, and dissemination activities. In all attempts to deal with these special needs of Indians we have not merely expanded programs but sought the attainment of excellence. Furthermore, in keeping with a policy of Indian self-determination, parental and community participation in program development and implementation are important. Today I would like to summarize our current proposals and activities which address these concerns and then answer any questions you may have.

We are requesting \$42,055,000 for the Indian Education Act. This is the same as the 1976 revised request, but a decrease of \$15,000,000 from the fiscal year 1976 appropriation. Of the total we are requesting \$25,000,000 for grants to both local education agencies (LEA's) and non-LEA's under Part A of the Act; \$12,000,000 for special projects for Indian children under Part B; \$3,000,000 for special projects for Indian adults under Part C; and \$2,055,000 for program administration, of which \$230,000 is for the National Advisory Council on Indian Education.

The \$25,000,000 requested for grants to LEA's and non-LEA's under Part A of the Act will be used to provide grants for supplementary services addressing the special educational needs of Indian children attending either public elementary and secondary schools or Indian-controlled schools. An estimated 1,200 grants will be awarded to local education agencies serving approximately 278,000 Indian students with an average grant expenditure per child of \$76. A portion of the \$25,000,000 under Part A is set aside for Indian schools on or near reservations which are not local educational agencies or have not been LEA's for more than three years. Awards averaging nearly \$90,900 will be made to 25 non-LEA's.

Under Part A Indian children will benefit through the support of bicultural/bilingual basic educational services as well as enrichment activities, including the development of culturally relevant curriculum materials, and such supportive services as guidance and counseling. In addition, teacher and teacher aide training will be supported.

To increase the effectiveness of the interaction between public school administrators and parent committee members, Office of Education staff will act as facilitators to the parent committees by providing technical assistance, by developing an information kit which provides materials on Part A programs, and by creating a system whereby parent committees will actually review and report on the management of grants. Whereas it is well recognized that much of school success depends heavily on the strength of school - community communication and coordination, the intent here is to ensure that these are built into the system and made an integral part of it.

Special emphasis will be placed also on extensive monitoring by Office of Education staff to ensure both compliance with the provisions of the Act and the presence of quality educational practices. In order to handle this effort as effectively as possible, site visits will be

made according to pressing technical assistance needs, project funding level, and an assessment of the quality of the project. Furthermore, over a four year period sites for visitation will be randomly selected by computer.

We are requesting \$12,000,000 for the innovative and capacity-building activities funded under Part B. At this level 160 grants averaging \$75,000 will be awarded which will directly and indirectly benefit 95,000 children. These grants will be distributed among three main priority areas. The first area deals with developing validated models of instruction for implementation in public schools, BIA schools, or as alternative schools. Curricula will stress remedial education, special education, guidance and counseling, and cultural awareness. To insure the transfer and implementation of these validated models into existing public school and BIA structures, as well as new ones, a dissemination network will be implemented. We will also coordinate with the Bureau of Indian Affairs in developing joint programs for use in the BIA school system. In total \$4,000,000 is requested for these activities under the first priority in part B.

A second priority area under Part B is the attempt to support innovative and capacity building efforts in areas that have priority on a national basis. These include teacher training, parent committee technical assistance, early childhood education, and materials development. For these purposes \$6,000,000 is requested. The third priority area, for which we are requesting approximately \$2,000,000, is an attempt to meet urgent local needs not being met by current programs in which Indian children participate. Temporary direct services such as counseling, tutoring, remedial programs, and culturally-based activities will be supported.

For special projects for Indian adults under Part C of the Act, the \$3,000,000 request will be used to fund 60 awards each averaging \$50,000. Approximately 10,000 adults would be reached. The main objective is the development and implementation of educational techniques effective in achieving literacy and high school equivalency. Within this objective, program content will be in areas of high relevancy to Indian communities legal and consumer education, vocational counseling, and employment preparation.

Under program administration we are asking for \$230,000 to support the National Advisory Council on Indian Education in performing their mandated functions and \$1,825,000 to pay for the administration of the Office of Indian Education.

Before closing I also wish to note that the Office of Indian Education has plan. to coordinate yet more closely with programs affecting the education of Indians which are administered by the Office of Education, the Department of Health, Education and Welfare, and the Bureau of Indian Affairs. Close cooperation is needed to ensure complementary efforts that will benefit the Indian community.

We will be happy to answer any questions you may have.

## INTRODUCTION OF WITNESSES

Dr. DEMMERT. Yes. Thank you, Mr. Chairman.

To my left is Cora Beebe, the Director of the Division of Planning and Budgeting in the Office of Education. To my immediate right is Herb Jacobson, our Planning Officer. To his right is Mr. Lee Antell, the Division Director for Local Education Assistance. To his right is Dr. Gabe Paxton, Division Director of Special Projects and Programs. To his right, Mr. Bill Floyd, my Executive Officer.

We expect to have a departmental representative here in a few minutes. He just walked in. This is Mr. Wilford Forbush, Deputy Assistant Secretary for the Budget.

Senator MONTOYA. You may proceed, sir.

## SUMMARY OF REQUEST

Dr. DEMMERT. I will make it very brief. We are requesting \$42,055,000 for the Indian Education Act. This is the same as the 1976 revised request, but a decrease of \$15 million from the fiscal year 1976 appropriation.

Of the total we are requesting \$25 million for grants to both local education agencies and non-LEA's under part A of the act; \$12 million for special projects under part B; \$3 million for special projects for Indian adults under part C; and \$2,055,000 for program administration, of which \$230,000 is for the National Advisory Council on Indian Education.

Very briefly, that is what the statement addresses.

## SPECIAL PROJECTS

Senator MONTOYA. What do you classify under special projects for Indian children?

Dr. DEMMERT. Under special projects for Indian children we authorize funding for teacher training, early childhood education programs, bilingual and bicultural programs, and curriculum development. We provide money for handicapped, remedial, and vocational education. We also provide money for technical assistance to the Indian community.

## BUDGET REDUCTION

Senator MONTOYA. You are reducing this budget from last year's amount by \$15 million?

Dr. DEMMERT. We are requesting the same level budget that we requested last year, but it is a \$15 million decrease from what was appropriated. The additional \$15 million, as you know, was proposed for rescission.

Senator MONTOYA. Yes; but do you think the rescission of that \$15 million is going to take effect?

Dr. DEMMERT. I was given word just before I sat down that the rescission would not be authorized by the Congress.

Senator MONTOYA. So on that basis, is it your intention to ask OMB for an equivalent amount which you had last year—this current fiscal year, I should say.

Dr. DEMMERT. If I understand the question, you are asking whether or not our budget request will go up as a result of the congressional action not to grant the rescission?

Senator MONTOYA. Yes. Have your budget officer answer the question.

Ms. BEEBE. At the present time, there are no considerations for increasing the budget request.

Senator MONTOYA. All right. Let's get this thing in capsule form.

Because of the rescission attempt that has been made and which will not be approved by Congress, you have reduced your budget estimate by \$15 million for the next fiscal year.

Dr. DEMMERT. That is correct.

Senator MONTOYA. \$10 million is cut from payments to local agencies for Indian education; \$4 million from special projects for Indian children; \$1 million from special projects for Indian adults.

#### PART A REDUCTION

Now, what are you going to reduce with respect to payment to local education agencies and non-LEA's for Indian education within this \$10 million reduction figure?

Dr. DEMMERT. What would be reduced would be the amount granted to each school based on an appropriate expenditure rate. It would go from a \$107 average per pupil expenditure to a \$76 average per pupil expenditure.

Senator MONTOYA. What schools are these contributions made to?

Dr. DEMMERT. In the past year, we funded 845 schools in different parts of the country.

Senator MONTOYA. Are they public schools?

Dr. DEMMERT. Yes.

Senator MONTOYA. What makes you think they are going to take it when they have been getting \$107 per pupil and they have based their budget, their operating budget on the expectation that they will continue to get this sum?

Dr. DEMMERT. My personal feeling is that it will not be too palatable or very acceptable.

#### REQUEST TO OMB

Senator MONTOYA. Did you explain this to OMB, or did they just pencil you out to the tune of \$10 million in this category? What were your requests and how did they fare?

Dr. DEMMERT. We discussed this with OMB. Our request for part A for the year was \$32.5 million. It was cut finally to \$25 million.

For part B, our request was \$31.5 million. That was reduced to \$12 million.

Our request for part C was \$5 million. That was reduced to \$3 million.

Senator MONTOYA. I want the record to clearly show that I am not trying to impune your interest in getting the proper funding for these categories, because I know that you have tried, and all of you are very dedicated people. But you have met a stone wall at OMB, and I know where the fault lies.

I am just trying to develop a record here which will clearly show that you did try. Now, you went to OMB with a larger request than the amount which OMB reached an agreement—or the amount which they imposed as a budget estimate, I should say.

Dr. DEMMERT. That is correct.

Senator MONTROYA. Do you sincerely feel that you can live with this \$10 million reduction in this category, and in the other categories respectively?

Dr. DEMMERT. That is difficult to answer. If you are asking for my professional judgment as to whether or not—

Senator MONTROYA. I was asking for your individual judgment, not your official judgment.

Dr. DEMMERT. My feeling is that there is a substantial need out there. We can use all the money we can get in the next few years to attempt to meet that need; \$40 million would not meet that need for the coming year, but it would, I would assume, lay a base or in part help meet it.

#### PROGRAM ADMINISTRATION

Senator MONTROYA. What comes under program administration?

Dr. DEMMERT. I am sorry?

Senator MONTROYA. What comes under program administration? Is that your overhead in the office and in the field?

Dr. DEMMERT. Salaries, expenses, and planning money, and money for the National Advisory Council.

Senator MONTROYA. That would remain intact, with no increase. That is right?

Dr. DEMMERT. That is correct.

Senator MONTROYA. How are you going to absorb pay raises?

Dr. DEMMERT. We are losing four positions. Those positions in effect would allow us to absorb the increased cost.

Senator MONTROYA. Which is the program that is more needed as far as funding on last year's basis, the payments to local education agencies or the other special projects? Which of the two?

Dr. DEMMERT. That is a good question. It would really require two different kinds of answers.

The first answer would be, in my judgment, that part B is the most important part of the program.

Senator MONTROYA. Special projects for Indian adults?

Dr. DEMMERT. Part B is special projects for Indian children.

Senator MONTROYA. We have it under "A" here in the justification, "A" and then "B."

Dr. DEMMERT. I see.

Senator MONTROYA. But you have identified it anyway.

Dr. DEMMERT. Yes.

#### EFFECTS OF PART A REDUCTION

Senator MONTROYA. What do you think the school districts' reaction will be, and will there be any retaliation on reducing the per-pupil contribution from \$107 to \$76?

Dr. DEMMERT. We would get fewer applicants because in some cases the amount a school would be applying for would possibly

be less than it would cost the school to apply. It would take more money than they would get if they had only a few students.

Senator MONTROYA. They would actually be subsidizing the children, wouldn't they, for their education out of their own local funds?

Dr. DEMMERT. They would have to do that if they wanted to expand the program, yes.

Ms. BEEBE. I think it should be noted that part A funds are supplemental funds to the ongoing expenditures of local education agencies, and that these funds are used for special projects to aid Indian children in those schoolrooms. These include such things as counseling, guidance, extra activities of a cultural nature and special reading and math programs. The effect would be to reduce those supplemental activities. But the normal ongoing activities of the LEA would continue.

Senator MONTROYA. The reimbursement that school gets comes out of Public Law 874 and what other funds, Johnson-O'Malley?

Dr. DEMMERT. Public Law 81-874 provides for basic support. Johnson-O'Malley provides for a mixture of basic support and supplementary support. The move is to supplementary support.

Senator MONTROYA. That is how they get their foot in the door, these Indian children, and through the Federal contribution under that type of funding. Then this is supplemental to that funding for special purposes?

Dr. DEMMERT. That is correct.

Senator MONTROYA. What will happen to these special projects? Will the school systems not reduce the special projects if the per-pupil contribution is reduced?

Dr. DEMMERT. That is probably what will happen, frankly.

Senator MONTROYA. Is the special treatment given to Indians now adequate in your estimation, or should it be implemented a little more?

Dr. DEMMERT. We have done several studies, two of which have been submitted to Congress, that recommend that a supplemental average of about \$300 per Indian student is needed to begin to meet their needs and to bring some of the schools up to the national average per-pupil expenditure.

Senator MONTROYA. There is no question that the Indian children need some special attention and counseling.

Dr. DEMMERT. That is correct.

Senator MONTROYA. Special tutoring also in many cases, isn't that correct?

Dr. DEMMERT. Yes.

Senator MONTROYA. That is what this \$107 was designed to do.

Dr. DEMMERT. That is correct.

#### DEVELOPMENT OF ADMINISTRATION REQUEST

Senator MONTROYA. Please tell the committee why the Department and the administration continues to oppose congressional increases for education, which as you know, is authorized at much higher levels.

Dr. DEMMERT. Let me ask the Department's spokesman to respond to that, if I might.

Senator MONTROYA. Let me just say, I don't buy this austerity that is thrown to us in Congress when it comes to Indian education, because Indian education has been deficient through the years. We ought to upgrade it and not make it a victim of this austerity that is being built up around Washington.

Can you give me an answer other than that?

Mr. FORBUSH. I really have no other basis. That was the administration's reasoning to hold it to the 1975 budget level, through 1976 and 1977.

The table which has been provided for you shows the Department's request to OMB as \$62.2 million which would have permitted some increase over the 1976 appropriation.

Senator MONTROYA. Were you the one who made the presentation to OMB on behalf of this Bureau?

Mr. FORBUSH. Dr. Demmert actually presented the request himself. I helped out and worked with our counterparts in OMB. We did argue pretty strongly for the Secretary's budget request.

Senator MONTROYA. What kind of presentation did you make from your division?

Mr. FORBUSH. Pardon me, I am in the Office of the Secretary. Dr. Demmert made the presentations.

Senator MONTROYA. What kind of budget request did you receive at the departmental level, and did you cut it there?

Mr. FORBUSH. Yes; we cut it by \$10 million.

Senator MONTROYA. What did you receive?

Mr. FORBUSH. The request was for \$72 million.

Senator MONTROYA. And you cut it down to \$62 million?

Mr. FORBUSH. Yes.

Senator MONTROYA. You went to OMB with \$62 million and they cut it to \$42 million?

Mr. FORBUSH. Yes. Last year the appropriation was \$57 million.

Senator MONTROYA. All right.

Mr. FORBUSH. We wanted to maintain the 1976 appropriation and provide some modest growth.

Senator MONTROYA. And you did cut it to \$62 million to maintain the 1977 appropriation, not taking into consideration the \$15 million rescission message by the President?

Mr. FORBUSH. Our request preceded the rescission. The decision to seek the rescission was made after we submitted our budget request. We went to OMB with our fiscal year 1977 budget request on October 1, and the rescission was proposed in January shortly after the fiscal year 1976 appropriation was enacted.

Senator MONTROYA. All right. In light of that, did you do anything affirmatively to scale it down further?

Mr. FORBUSH. No; we did not try to reduce it any further.

Senator MONTROYA. You did not consider any scaling down in light of the rescission message?

Mr. FORBUSH. That was OMB's reaction to our request. The response to our budget proposal was the decision to seek a rescission of \$15 million.

## STATUS OF 1976 APPROPRIATION

Senator Montoya. What has happened to that \$15 million? Is that in reserve right now?

Dr. DEMMERT. No. We are planning on spending it.

Senator STEVENS. Bill, do I understand you got \$5 million more last year?

Dr. DEMMERT. The Congress gave us \$5 million more in total for parts B and C in our 1976 appropriation. We are just now going through the grant award process to obligate that money. So we will obligate, depending on the final outcome of the rescission request. The word that is coming down is that the rescission will not be granted, which means we in effect will obligate the total \$57 million.

Senator STEVENS. Your budget request last year was \$42 million; the budget request this year is for \$47 million.

Dr. DEMMERT. No, sir, for \$42 million.

Senator STEVENS. \$42 million.

Senator MONTROYA. The appropriation last year was \$57,055,000, and there was a revised budget presentation of \$42 million for 1976 which is the current fiscal year. The appropriation was \$57 million.

Dr. DEMMERT. Yes, \$57 million is correct.

Senator MONTROYA. The rescission message came to Congress after reserving \$15 million of this.

Dr. DEMMERT. We are talking about 1976 money. We have not spent any 1976 money yet, with some minor exceptions. The 1976 money will be obligated this year by our office, all \$57 million appropriated, and it will be spent next year by the projects.

Senator STEVENS. Then the money we are talking about now will actually be spent in 1978?

Dr. DEMMERT. Yes, it will be obligated in fiscal year 1977 and used during the 1977-78 school year.

Senator STEVENS. How much did you get in 1974?

Dr. DEMMERT. We got \$40 million, and we obligated all of it. A very minor amount was returned because the local education agencies in some cases had some problems to work out with their councils, and they did not work them out in time.

Senator STEVENS. I don't understand then why there is such a decrease in the amount of money that will be available for these local schools. The reduction from what was \$107 in 1976 down to \$76. The money level was the same as it was in the budget request in the appropriation for 1975, and the \$15 million that was reserved was not in that account, was it?

Dr. DEMMERT. No. The reason there is a difference in the per-pupil expenditure is that every year we fund more schools and correspondingly, more children. Last year we funded 845 schools with 267,000 students; this year we plan on funding close to 1,200 schools with 298,000 students.

This is a result of an increase in the number of schools applying for and deemed eligible for the part A money, which is a formula grant.

## FUNDS REQUIRED TO MAINTAIN CURRENT PROGRAMS

Senator STEVENS. How much money would you have to have to maintain the grant level that is in effect now? What is the grant level in effect now that you are paying for 1975 that came from the 1974 appropriation?

Dr. DEMMERT. The grant level in effect now comes from the 1975 appropriation. To maintain the \$107 per pupil expenditure we plan for next school year, we would have to have close to \$32.5 million for the LEA portion of our request for part A, or the same as the 1976 appropriation.

Senator STEVENS. That is in part A?

Dr. DEMMERT. That is in part A, and that is an estimate.

Senator STEVENS. You have \$25 million in there, right?

Dr. DEMMERT. That is correct. My budget analyst tells me it will probably have to be a little more than that.

Ms. BEEBE. We will provide for the record an estimate on that amount, which would be based on the increase in the number of schools and children in 1977 compared to 1976.

Senator MONTOYA. When you make that presentation, will you also include how many children you serve today with this grant, and how many you anticipate in the next year?

Dr. DEMMERT. Yes; we will. We now have both estimates. The estimate for fiscal year 1977 to maintain the grant level under the 1976 appropriation in part A is \$35 million. The number of children we expect to serve as given on page 7 of the budget justification is 298,000.

Senator MONTOYA. You are going to increase the schools from 845 to 1,200?

Dr. DEMMERT. We do have that count. We just finished our annual survey in January.

Senator MONTOYA. What is it? From how many students to how many students?

Mr. ANTELL. Last year the eligible students were 332,000, approximately.

Senator MONTOYA. Next year?

Mr. ANTELL. In 1975. And in 1976 it has risen to 378,000 eligible students.

Dr. DEMMERT. In 1977 we estimate 383,000 eligible students.

Senator MONTOYA. So if the dollar per student remains constant, you will still need more money?

Dr. DEMMERT. That is correct, if we're to fund all eligibles. However, we estimate serving 298,000 students in both fiscal year 1976 and fiscal year 1977. We therefore would need the same amount of money in 1977 as in 1976 to retain the 1976 per pupil expenditure of \$107.

Senator MONTOYA. But that final figure will have to increase if you are still going to have the same quality of service per student, is that right?

Dr. DEMMERT. That is right because of inflation.

Senator MONTOYA. Because of the inflation in the cost of counseling and so forth?

Dr. DEMMERT. That is correct.

Senator MONTOYA. By how much?

Dr. DEMMERT. We will provide that information. I would estimate 10 percent, but we would have to look at that very closely.

[The information follows:]

The final estimate for FY 77 to maintain the grant level in Part A under the 76 appropriation, including inflation and cost increases, is \$38,850,000. This figure includes an estimate of 11% for inflation, which is based on previous years' inflation rates for programs under Part A. As we have indicated earlier, the estimate for Part A for FY 77, excluding inflationary costs but maintaining FY 76 per pupil expenditures for LEA's, is \$35,000,000.

#### INCREASE IN ELIGIBILITY

Senator STEVENS. Have you changed your eligibility at all with this expanded population of your service for part A? Are these just additional applicants coming in? There has been no change to the definition of beneficiaries, has there?

Dr. DEMMERT. That is correct. The reasons for the increase are in the Indian community. First, we probably have the fastest growing population in the country. Second, more and more the self-image of Indians, I think, is beginning to change as a result of this program. More and more Indians are willing to participate as Indians and be recognized as Indians. There is much more parental involvement which in effect stimulates more student interest.

#### 1974 AMENDMENT

Senator MONTROYA. Can you tell the committee why the Department has not proposed any funding for the teacher training and scholarship program authorized by a 1974 amendment to part B of the Indian Education Act?

Mr. FORBUSH. It was my own interpretation that no funds were appropriated for that. Our reading of the reports indicated that there were no funds in the House bill. The Senate added the money for it, but it was taken out.

Senator MONTROYA. I am talking about 1977, you are talking about 1976.

Mr. FORBUSH. 1977 is just a continuation of the 1976 policy. It did not have it in there either; it was just a continuation of that policy.

Senator MONTROYA. Will anything be done about this funding?

Mr. FORBUSH. For 1977? Not on the part of the administration. There will be no request for that money.

#### POLICY PAPER

Senator MONTROYA. Mr. Demmert, last year this committee was told that a policy paper was being developed on the Federal role in Indian education.

Dr. DEMMERT. That is correct.

Senator MONTROYA. This paper was to answer all the questions about making assistance more effective. When was that policy paper completed?

Dr. DEMMERT. It has not been completed. We are in the process of working on it. I am not sure we can answer all of the questions, but we have been working with the Federal Interagency Committee on Education. The FICE Committee submitted a report for considera-

tion, which includes the steps necessary to bring in recommendations from the Indian community, the professional community, and the administration. It is a long process, and in my estimate it will take another year and a half to pull that large an undertaking together.

The FICE Committee is considering at this moment to see whether or not they will sponsor this effort for us.

Senator MONTROYA. What was the original timetable for completing this study?

Dr. DEMMERT. I am not sure we had an original timetable, sir.

Senator MONTROYA. And you say that it will be about a year and a half more?

Dr. DEMMERT. I think it will take us at least that long, yes.

Senator MONTROYA. Can you make any recommendations for new legislation as a result of this study up to that time?

Dr. DEMMERT. We will be prepared to make some recommendations for title IV which is due to expire in fiscal year 1978.

Senator STEVENS. 1978?

Dr. DEMMERT. Fiscal year 1978, that is right.

Mr. Chairman—I would like to introduce Mr. Duane Mattheis, the Executive Deputy Commissioner for the Office of Education.

Senator MONTROYA. Do you have anything to add to the discussion, sir?

Mr. MATTHEIS. No; not at this time, sir. I will wait and see if there is anything I can add to the discussion as it proceeds. Thank you very much.

Senator MONTROYA. I have a few other questions, but I will defer now to Senator Stevens.

Senator STEVENS. Thank you very much.

#### PART B REQUEST

Your request for 1977 in part B is the same as the request in 1976, which is \$4 million less than we actually appropriated for 1976.

Dr. DEMMERT. That is correct.

Senator STEVENS. What will be the effect of that reduction? In effect, what will be the impact of that reduction of \$4 million in part B?

Dr. DEMMERT. We will probably have to hold to existing funding levels and essentially hold to the existing grants. We will probably not be able to increase the amount per grant because of inflation, unless we do not re-fund some of the projects that we funded in the past.

Senator STEVENS. How many projects are funded now in this program?

Dr. DEMMERT. 148 for fiscal year 1975.

Senator STEVENS. How many applications for projects did you get for fiscal year 1975?

Dr. DEMMERT. 442.

Senator STEVENS. So you funded approximately one-third of them, is that right?

Dr. DEMMERT. That is right.

Senator STEVENS. What was the total dollar involvement of your funding?

Dr. DEMMERT. \$12 million.

Senator STEVENS. You obligated the full amount?

Dr. DEMMERT. Yes; except for a small amount which lapsed. We actually obligated \$11,928,843.

Senator STEVENS. How many applications will there be for 1976?

Dr. DEMMERT. There will be a little over 800 in total for the discretionary programs.

Senator STEVENS. For part B?

Dr. DEMMERT. There will be at least 525.

Senator STEVENS. You have gone up more than 10 percent I think.

Dr. DEMMERT. The increase may be closer to 20 percent.

Senator STEVENS. Is this expansion of applications related to additional schools or additional projects for the old applicants, or what has led to the increased number of applications, do you know?

Dr. DEMMERT. In my judgment, it is in part an awakening of the Indian community that if they are going to improve the quality of education for Indian students, they have to become directly involved. The Indian organizations and communities are becoming more directly involved, more interested in looking at education as something that is a top priority. As a result, they are requesting more money.

Senator STEVENS. How many of these applications are you going to be able to fund with this \$16 million? Have you made that decision?

Dr. DEMMERT. It will be about 213.

Senator STEVENS. And you will obligate the full amount of \$16 million. Is that also 1 year's delay—so it will be expended in 1977?

Dr. DEMMERT. Yes; we would obligate the money this year for them to spend next year, that is for the school year beginning September 1976.

Senator STEVENS. That is a full 1-year funding. After the rescission there is no money left, right?

Dr. DEMMERT. That is correct.

#### PART C PROJECTS

Senator STEVENS. With the special projects for adults, I note that is \$1 million off too. How many did you fund at the \$3 million level?

Dr. DEMMERT. Fifty-three projects this current school year.

Senator STEVENS. How many applications did you have?

Dr. DEMMERT. 140.

Senator STEVENS. What are you going to be able to fund for the \$4 million?

Dr. DEMMERT. About 65, depending on the size of the applications that come in and the size of the grant negotiated.

Senator STEVENS. Are those applications expanding in number also?

Dr. DEMMERT. Are you referring to the number of people served?

Senator STEVENS. The number of applications you are getting for 1976.

Dr. DEMMERT. Yes; we have gone up to 200. We estimated receiving 150, but we actually received 200.

Senator STEVENS. Are these projects that you are funding recurrent? Is there an out-year obligation so far as you are concerned?

Dr. DEMMERT. Yes. They do two kinds of things. They build models that can be picked up by States or by the Bureau, or by communities

themselves from other sources more permanent than ours. They are fairly short term.

But at the same time, and while we are building those models, we are providing a service to that community.

Senator STEVENS. Do I understand that you sought \$72 million?

Dr. DEMMERT. \$72,607,000, for the entire budget, yes.

Senator STEVENS. And the Department cut that down to \$62 million before you went to OMB, is that right?

Dr. DEMMERT. Yes; it is.

Senator STEVENS. I want to thank you, Mr. Chairman. We will do battle again. You have done an excellent job.

Senator MONTROYA. Thank you very much.

Dr. DEMMERT. Thank you.

#### ORIGINAL REQUEST

Senator MONTROYA. Briefly describe what your original agency funding request would accomplish in terms of educational benefits to Indians.

Dr. DEMMERT. Sir, our original agency request would have put relatively less money into part A and relatively more money into part B since there is a need for model building and innovation in Indian education by Indians themselves and part B affords that opportunity. Therefore, since the agency fiscal year 1977 request of \$32,500,000 for part A was somewhat below the fiscal year 1976 appropriation level for that part, I believe it would be more meaningful if I were to describe the benefits which will derive from the fiscal year 1976 appropriation level of \$35 million for part A compared to the \$25 million which is being requested in fiscal year 1977.

The \$10 million difference would first of all account for a corresponding difference in the average per pupil expenditure. Whereas the per pupil expenditure will be \$107 at the 1976 appropriation level, it would be about \$76 at our fiscal year 1977 request level. This higher level would, of course, result in several desirable educational benefits. The first of these is based on the finding that academic achievement in compensatory education programs appears to be closely related to funding level and that a funding level of approximately \$300 per child is the minimum level for obtaining significant educational gains. Although this figure must be examined in light of regional differences in cost of goods and services, it seems clear that the 40-percent differential in per pupil expenditure should be manifested in perceptibly better educational benefits to the children served.

The effect of the higher funding level can also be seen by viewing the additional services provided by the extra money. A typical grant under part A would average \$18,873 at the administration's fiscal year 1977 request level compared to approximately \$26,571, at the fiscal year 1976 appropriation level, a difference of some \$7,698. Funding at the higher level, for example, might allow a school district to augment an already existing bilingual education program with a full-time guidance counselor to implement a dropout prevention program. Thus the existing bilingual program could be strengthened by extending it to potential dropouts.

For part B, our request to the Department was for \$31,500,000 which included funds for the training amendments, Sections 422 and 423. At that level we would have been able to award 229 grants averaging over \$137,500 each. Our part C request of \$5 million would have supported 69 projects at an average cost of \$72,727.

The request for this funding level was based on the severity and breadth of educational problems among Indians, the inherent expense in attempting to develop and implement a capacity building-development-dissemination network where none currently exists, and the limitations in generalizing effective educational products and practices to a culture with many diverse elements.

The fundamental purpose of parts B and C is to provide Federal support in establishing a systematic framework for developing pilot, planning, and model projects which will attack the problems of establishing educational parity for the Native American. The systematic and structured examination of Indian educational problems is a relatively new role for the USOE. Years of mutual hostility between the public school system and Indian parent and community leaders has atrophied the ability of Indian communities to engage in meaningful participation with the public school system to achieve effective education for their children. Consequently the personnel, financial and methodological capacity among Indian tribes and organizations to address these problems do not exist. Thus, in order to insure a high probability that effective educational practices can be developed through part B efforts, funding must be provided for all elements of the entire cycle of capacity building, development of sound educational practices, and the dissemination of these practices in the public school environment. The expense of concentrating on all aspects of this approach is judged to be high, but the alternative is to insure failure by not adequately funding one of the necessary program components.

#### NEED FOR INDIAN EDUCATION ACT

Senator MONTROYA. This program has been called duplicative by the administration, but wasn't it specifically authorized to supplement existing education programs, both of HEW and the BIA. Why shouldn't a meaningful level of funding be provided?

Mr. FORBUSH. It is true that the Indian education program was authorized to supplement existing education programs. I'm not sure how you define "meaningful funding level." The administration believes that the 1977 budget request for Indian Education would provide a meaningful funding level to achieve the intent of the authorizing legislation.

Senator MONTROYA. Doesn't the Department feel the Indian Education Act programs are benefiting Indians whose education needs are probably the greatest of any one group in this country?

Mr. FORBUSH. The Department does believe that the education needs of Indians are among the most serious in this country. The Indian Education Act is certainly one way to help meet that need. However, I would like to point out that, as I mentioned earlier, there are other Federal programs in addition to those authorized by the Indian Education Act which provide sources of support for improving the education of Indians.

## PROGRAM EFFECTIVENESS

Senator MONTROYA. How does the Department view the Indian education program's effectiveness to date? Has anyone tried to analyze the impact on educational achievement?

Mr. FORBUSH. Because the Indian education program is relatively new, there has not been enough project history to make an effective analysis of the overall impact of the program on educational achievement. Frankly, I think it would be a mistake to expect a lot of success in the early years of the program. The educational problems of Indians are not easy to solve and the groups receiving grants are often inexperienced in financial and program management.

Two audits recently completed by the HEW Audit Agency were critical of certain aspects of the Indian education program. For example, an audit of a part B project for the project year ending June 30, 1974, maintained that "overall project objectives were not met in that there was little, if any, reduction made in the dropout and absenteeism rates" Another HEW audit of a part A project for the same project year was also critical, particularly with regard to a finding that the District needed to improve controls to insure that funds were used only for approved project activities. The HEW Audit Agency will continue to audit selected Indian education projects. In addition, the Office of Education will be doing more comprehensive evaluations of the impact the program has on educational achievement. Dr. Demmert's technical assistance program will attempt to correct the deficiencies revealed by these reviews.

## REASONS FOR RESCISSION PROPOSAL

Senator MONTROYA. As you know, Mr. Forbush, it was highly unlikely that Congress would specifically approve additional funds for Indian education and then turn around and rescind them. The proposed rescission, it seems to me, merely delayed needed program expansion and undermined the potential benefits. Who specifically recommended the rescission proposal, and why?

Mr. FORBUSH. The rescission proposal was recommended by the Office of Management and Budget as part of the administration's general policy of holding down Federal spending. The fact that the proposal was made did not delay program expansion or delay potential benefits. Grants are normally awarded in June for use in the school year beginning the following September. The application review process has been proceeding on schedule and has been in no way disrupted by the proposed rescission.

Senator MONTROYA. Doesn't the budget request for 1977, in view of cost increases, actually amount to a reduction in your budgeted program for 1976? Do you think that wise?

Mr. FORBUSH. It is true that the budget request for 1977 is a reduction below the 1976 budget proposal when viewed within the context of increased costs. In the short run, this could be absorbed without impairing essential services if projects deferred some equipment purchases and if new projects are implemented at a somewhat slower rate.

## PROPOSED LANGUAGE CHANGE

Senator MONTROYA. Again this year you proposed funding for parts A, B, and C at the levels of \$25 million, \$12 million and \$3 million respectively. But the proposed appropriation language deletes this specific allocation. Why?

Dr. DEMMERT. The proposed appropriation language is merely a change to a simpler format, and the specific allocation among the parts is detailed in our budget justification. The new format does not imply that appropriated funds can be transferred between parts. Rather, we are requesting for fiscal year 1977 that \$25 million be appropriated for part A of the Indian Education Act, \$12 million for part B, and \$3 million for part C.

## BIA SCHOOLS

Senator MONTROYA. Under your budget request you would program \$920,000 in connection with BIA schools. What funding is BIA contributing to this effort?

Dr. DEMMERT. The BIA will provide full funding for basic support of whatever school or schools are selected for inclusion in this model building effort. The \$920,000 of USOE funding will be used to supplement this basic support effort and produce a quality educational product. If this effort is successful, the BIA would assume the financial responsibility for continuing the project at the model school, as well as extending it to other schools in the BIA system.

## RESCISSION IMPACT

Senator MONTROYA. The President's rescission message on Indian education indicates only 10 awards are involved in the part B amount proposed for rescission. Your justification on page 12 shows a difference of 53 projects. What is the explanation?

Dr. DEMMERT. The President's rescission message indicates that if the rescission was approved, the number of awards granted for special projects for Indian children under part B would be reduced from 170 to 160. Our budget justification shows that the number of awards would be reduced from 213 to 160 if the rescission is granted. These different estimates are caused by the fact that there is an overlap between the grant cycle and the budget cycle and we are frequently updating information. The budget justification for fiscal year 1977 was prepared after the President's rescission message, and reflects more recent program information. Consequently, we now estimate that if the rescission is granted we would award 213 grants averaging \$75,000 rather than 170 grants averaging \$94,118.

## PART A ALLOCATIONS

Senator MONTROYA. Part A assistance to local education agencies is allocated under a formula that is based in part on the level of State support per pupil. Is that formula fixed by law or regulations?

Dr. DEMMERT. The formula is fixed by law in the Indian Education Act, Public Law 92-318.

Senator MONTROYA. Doesn't a formula of that type tend to provide more assistance to States that are actually less needy in terms of educational assistance to Indian youngsters?

Dr. DEMMERT. This formula does not necessarily provide more assistance to States that are actually less needy. However, under the formula money is allocated equally without regard to the State or school district's financial need.

Senator MONTROYA. Please supply for the record a State breakdown of part A assistance for fiscal year 1975 and estimates for fiscal year 1976 on the basis of no rescission.

[The information follows:]

Indian Education (Part A Awards)  
Fiscal Year 1975

	LEA Payments	NON-LEA Grants	Total
Alabama	\$ 43,304	\$ ---	\$ 43,304
Alaska	2,549,414	---	2,549,414
Arizona	2,129,841	420,000	2,549,841
Arkansas	12,052	---	12,052
California	2,121,843	---	2,121,843
Colorado	122,844	---	122,844
Delaware	4,981	---	4,981
Florida	37,043	---	37,043
Idaho	109,561	85,000	194,561
Illinois	127,580	---	127,580
Iowa	53,400	---	53,400
Kansas	101,808	---	101,808
Louisiana	321,092	---	321,092
Maine	44,547	---	44,547
Maryland	125,341	---	125,341
Massachusetts	16,163	---	16,163
Michigan	1,276,535	---	1,276,535
Minnesota	1,107,204	57,758	1,164,962
Mississippi	---	150,000	150,000
Montana	830,389	495,455	1,325,844
Nebraska	99,462	---	99,462
Nevada	223,445	65,000	288,445
New Mexico	1,778,955	292,680	2,071,635
New York	796,545	---	796,545
North Carolina	938,183	---	938,183
North Dakota	211,332	60,000	271,332
Ohio	46,525	---	46,525
Oklahoma	3,923,162	65,000	3,988,162
Oregon	266,258	---	266,258
South Dakota	660,770	330,000	990,770
Texas	27,836	---	27,836
Utah	251,601	---	251,601
Virginia	20,504	---	20,504
Washington	1,580,447	105,000	1,685,447
West Virginia	3,514	---	3,514
Wisconsin	650,571	85,000	735,571
Wyoming	113,216	61,834	175,050
GRAND TOTAL	22,727,268	2,272,727	24,999,995

## FISCAL YEAR 1976 PART A AWARDS BY STATE

Under the Indian Education Act, Part A, the LEA portion (90 per cent of available funds) is distributed among the States in accordance with an entitlement formula. The entitlement for a State is the product of the number of Indian children in the State's local education agencies multiplied by that State's average per public expenditure. These State totals are then pro-rated down in accordance with the actual appropriation level. Even if the eligible schools in a given State were to remain constant, yearly fluctuations in a State's per pupil expenditures would complicate the task of predicting future State distributions under the LEA portion of Part A. However, we also anticipate receiving additional applications in fiscal year 1976 and consequently funding approximately 355 more school districts. It would be difficult to predict with any accuracy from which States these additional applicants and successful grantees will come. The Non-LEA portion of Part A comprises 10 per cent of the available funds and supports discretionary awards made to successfully competing applicants. For these reasons, it is not possible to provide accurate estimates of a State distribution under Part A for fiscal year 1976.

## PART B DISTRIBUTION

Senator MONTROYA. In the State breakdown of fiscal 1975 part B projects, Arizona and Oklahoma receive by far the greatest funding. Why is this?

Dr. DEMMERT. In part B, grants are awarded on a competitive basis. Awards are made to those applications which are highly ranked through our reviewing process. As you know both Arizona and Oklahoma are heavily populated by Indian tribes, and we receive a large number of proposals from them. It happens that in fiscal year 1975 many proposals under part B from these two States were funded because the proposals were ranked high in our reviewing process.

Senator MONTROYA. The part B funding by States does not appear to follow an Indian population pattern in many instances. Is that good management?

Dr. DEMMERT. As I have mentioned, part B funds are discretionary, and the potential grantees apply on a competitive basis. Therefore, funding by States will not reflect Indian populations but rather represent monies awarded to successful applicants on a competitive basis.

## PART C FUNDING

Senator MONTROYA. Going to part C, your 1977 request is \$1 million below the current year's appropriation. What level of funding would be required for fiscal year 1977 to maintain the program funded by Congress this year?

Dr. DEMMERT. To maintain the appropriation level of fiscal year 1976 for part C we would require \$4 million for fiscal year 1977. Of course, this figure would not compensate for inflation and increased costs in fiscal year 1977 as compared to fiscal year 1976.

Senator MONTROYA. Your justification distributes the requested \$3 million among three activities. How would funds be allocated under the same program level funded by the 1976 appropriation?

Dr. DEMMERT. Under the same program level funded by the 1976 appropriation we would allocate \$800,000 for the first activity of alternatives and model building. In the second activity of basic adult education and high school equivalency projects we would place \$2 million. Finally, under the third activity of meeting the comprehensive needs of the community we would allocate \$1,200,000.

## ADULT EDUCATION POLICY

Senator MONTROYA. How is your adult vocational education coordinated with programs of the BIA and other agencies?

Dr. DEMMERT. We are not authorized under the Indian Education Act to provide adult vocational education. However, we do provide counseling, careers awareness, and training in programs such as driver education. All funded projects are required at the local level to coordinate with BIA and other Office of Education agencies.

Senator MONTROYA. Wouldn't it be more effective to have adult education programs administered in total by one agency or another? Has anyone in your Office looked into that question?

Dr. DEMMERT. Our Office was created in part to meet the special educational needs of Indian adults. We do feel that these needs must be met. However, they are not being met under other existing Office of Education and BIA programs. While we are attempting to coordinate further our activities with other bureaus and agencies, we have not considered the possibility of turning our responsibilities in this area over to another agency.

Senator MONTROYA. In your State breakdown of fiscal year 1975 part C funding, the greatest support by far goes to Washington State. What is responsible for that?

Dr. DEMMERT. As in part B funding, awards in part C are made on a discretionary and competitive basis. The projects for Washington State met the established criteria to such a degree they were funded.

Senator MONTROYA. Again, the State distribution does not necessarily reflect Indian population patterns or even needs in every instance. How are these project funds determined?

Dr. DEMMERT. Because these project funds are determined through a competitive procedure, the State distribution will not necessarily reflect Indian population patterns.

## TRAVEL

Senator MONTROYA. Your program administration request, with no increase over 1976, would appear to be constrained. Yet you have included \$147,000 for travel, which doubles your 1976 level. Why?

Dr. DEMMERT. The Indian community needs and has frequently requested OIE staff to visit their projects. Often they have made their request through the Congress. There are two basic reasons why we feel we should visit more of our projects:

First, Indian tribes, institutions and organizations have had relatively little experience in managing Federal grants. They are unfamiliar with the myriad of administrative rules and regulations required on Federal grants. If we do not give them on-site assistance, there could be many audit problems.

Second, in those projects funded through local educational agencies, the relationship between the school administration and the parent committee is a sensitive one which often involves conflicts and misunderstandings. Because these parent committees approve applications and budget and scope of work revisions, they often feel they also have authority over day-to-day operations. This is not the case. Explaining their role and keeping relations between the committee and the school administration on a positive track often requires the OIE

staff person to deal with the parties on a face-to-face basis. The parent committees often do not understand the law and the administrative requirements. School administrators, on the other hand, do not understand the special educational and cultural needs of the Indians. An OIE staff person meeting with the parties together has a chance to explain roles, responsibilities, and the needs, and bring the groups together so that progress can be made for the children.

Approximately 410 site visits will be conducted during fiscal year 1977, as well as other travel related to technical assistance to applicants and attendance at conferences on Indian education.

Finally, we would like to point out that in meeting these travel needs we have already exceeded our earlier fiscal year 1976 estimate of \$75,000 for travel, and may reach our fiscal year 1975 actual level of \$125,000 by the end of the fiscal year.

#### PROGRAM ADMINISTRATION

Senator MONTROYA. You have budgeted a \$123,000 reduction in order services. Won't this impede your ability to conduct necessary program studies?

Dr. DEMMERT. We have asked for a reduction in other services as part of our attempt to maintain program administration costs at the level appropriated by Congress in 1976. I would point out that we originally requested \$3,381,000 from the Department for program administration, an amount which would permit the conducting of necessary program studies.

Senator MONTROYA. What program administration funding would be required to manage properly this year's \$57 million program level if maintained in 1977?

Dr. DEMMERT. We feel that program administration budget of \$3,250,700 supporting 71 positions for the Office of Indian Education and 6 positions for the National Advisory Council on Indian Education (NACIE) would be required to properly administer the existing program budget of fiscal year 1976 if it were maintained in fiscal year 1977. The additional staff and funds would cover the increased technical assistance and monitoring required to effectively serve the Indian community. It would also allow for a more adequate implementation of the teacher training and fellowship programs authorized under Sections 422 and 423. This amount includes \$445,500 for the operation of the National Advisory Council on Indian Education.

#### ADDITIONAL QUESTIONS

Senator MONTROYA. We have several questions submitted by Senator McGee to be answered for the record.

Dr. DEMMERT. We will be happy to respond.

[The questions and answers follow:]

#### QUESTIONS SUBMITTED BY SENATOR MCGEE

*Question.* The proposed reduction in pupil assistance to local public schools under Part A of payments to Local and Non-Local Educational Agencies from \$107.00 per pupil to \$76.00 per pupil would impose a serious hardship on these school districts. I understand that in order to maintain the same level of support for Part A programs that a figure of \$32.5 million would be required for fiscal 1977 instead of the \$25 million allowed by the Office of Management and Budget. Please indicate whether this amount would be sufficient and document the levels of support that have been provided from fiscal 1975 through projected fiscal 1977 levels.

Answer. To maintain the same level of support in fiscal year 1977 for Part A programs as in fiscal year 1976, \$35 million would be required. This appropriation level would permit funding local education agencies at a national total of \$31,818,182 for an average expenditure per pupil of \$107. In addition, the level of funding for the required set-aside for non-LEA's at this level would be \$3,181,818.

The levels of support that have been provided under Part A from fiscal 1975 through fiscal 1977 levels are: (1) In 1975 the total appropriation was \$25,000,000, of which \$22,727,273 was for local education agencies and \$2,272,727 was for non-LEA's; (2) In 1976 the appropriation was \$35,000,000, of which \$31,818,182 was for LEA's and \$3,181,818 was for non-LEA's; and (3) in 1977 the President's budget request is for \$25,000,000, of which \$22,727,273 is for local education agencies and \$2,272,727 is for non-LEA's

*Question.* I note that you have budgeted \$1,560,000 for fiscal 1977 under the teacher training section of Special Projects. What teacher training programs do you intend to implement in Wyoming? As you know, there is a pressing need for paraprofessionals to assist in teaching duties at the Wind River Reservation. How does your Office intend to meet this need?

Answer. Currently the one teacher training program we have in Wyoming is located at Wind River Reservation. Concerning the programs which we intend to implement in fiscal year 1977 under Part B, it is impossible to determine at this time the number of teacher and teacher aide programs that will be supported in the state of Wyoming. Part B grants are discretionary grants awarded on a competitive basis. Applicants which are most successful under our ranking and rating system are those that are funded.

INDIAN HEALTH SERVICE

STATEMENT OF DR. EMERY A. JOHNSON, INDIAN HEALTH SERVICE

ACCOMPANIED BY:

- DR. ROBERT VAN HOEK, ACTING ADMINISTRATOR, HEALTH SERVICES ADMINISTRATION  
DR. JOSEPH N. EXENDINE, ACTING DEPUTY DIRECTOR, INDIAN HEALTH SERVICE  
DR. LIONEL DEMONTIGNY, DIRECTOR, DIVISION OF INDIAN COMMUNITY DEVELOPMENT, INDIAN HEALTH SERVICE  
DR. JOHN TODD, DIRECTOR, DIVISION OF PROGRAM OPERATIONS, INDIAN HEALTH SERVICE  
DELBERT A. LARSON, DIRECTOR, OFFICE OF ENVIRONMENTAL HEALTH, INDIAN HEALTH SERVICE  
JACK V. CASEBOLT, DIRECTOR, OFFICE OF PROGRAM PLANNING, INDIAN HEALTH SERVICE  
SOL ORDEN, CHIEF, FINANCIAL MANAGEMENT BRANCH, INDIAN HEALTH SERVICE  
W. HARELL LITTLE, DIRECTOR, OFFICE OF FINANCIAL MANAGEMENT, HEALTH SERVICES ADMINISTRATION  
WILFORD J. FORBUSH, DEPUTY ASSISTANT SECRETARY, BUDGET

BUDGET REQUEST

Senator MONTROYA. Next we will consider the budget request of the Indian Health Service. The request is for nearly \$355 million, an increase of some \$13 million over appropriations to date, including alcoholism programs.

The justification has been included in part 2 of the record. Dr. Johnson, welcome again before this committee. Have you survived from your trip to New Mexico and the sunshine?

Dr. JOHNSON. Very well, sir.

Senator MONTROYA. Will you please introduce those with you at the witness table, and I would like your statement after we have made it a part of the record.

Dr. JOHNSON. Thank you, Mr. Chairman.

On my far left is Mr. Wilford Forbush, Deputy Assistant Secretary for the Budget, in the Department of HEW. Next to him is Dr. Robert van Hoek, who is the Acting Administrator of Health Services Administration. On my immediate right is Dr. Joseph Exendine, the Acting Deputy Director of Indian Health Service.

On his right is Mr. Delbert Larson. He is the Chief of our Office of Environmental Health. On the far right is Dr. Lionel deMontigny. He is Director of the Division of Indian Community Development.

If I may, Mr. Chairman, I would like to just—

Senator MONTROYA. Would you get the microphone closer to you, Doctor?

OPENING STATEMENT

Dr. JOHNSON. Yes. If I may I would like to put the opening statement into the record and then just briefly summarize.

Senator MONTROYA. It will be made a part of the record at this point. You may proceed to summarize.

[The statement follows:]

The Department of Health, Education, and Welfare's (HEW) primary agency concerned with the delivery of health care to the American people is the Health Services Administration (HSA). The Indian Health Service (IHS) is a major component of the Health Services Administration and is the focal point of efforts by the Federal Government to carry out its unique legal and historical responsibilities toward Indian and Alaska Native people in health matters. The goal of the IHS is to elevate the health status of Indians and Alaska Natives to the highest level possible. Its mission is to assure the availability of comprehensive health services in pursuit of the goal, while at the same time providing opportunities for Indian management and operation of these health programs.

Historically, the IHS has provided health services to those Indians living on or near Federal reservations, in traditional Indian country in Oklahoma, and in hundreds of communities in Alaska. The number of Indians served, including Indians, Eskimos, and Aleuts of Alaska, now is about 518,000.

#### PROGRAM ACTIVITIES

The IHS provides a comprehensive program of preventive, curative, rehabilitative and environmental services for the people through an integrated delivery system. This system is operated through 88 local administrative organizations known as Service Units containing a network of 51 hospitals, 99 health centers, including school health centers, and over 300 health stations and satellite clinics. The system is staffed by about 8,000 persons over half of whom are Indian.

The purchase of medical care through contractual arrangements is one essential element of Indian Health Service programs. Contract care is used to supplement and complement other health care resources available to Indian people. Through contract care, contractual agreements for health services are entered into with hospitals, private physicians and clinic groups, dentists and providers of ancillary health services. Contract care is utilized in situations where: no direct care facilities exist; the direct care element is not capable of providing required emergency and/or specialty care; or the direct care element has an overflow of medical care workload; and supplementation of alternate resources is needed in order to provide the most comprehensive care that is possible to eligible Indian people. The use of the contractual mechanism is particularly a well suited adjunct to the direct service program because of (1) the scattered geographic distribution of the Indian people; and (2) the small size of many of the Indian hospitals which cannot provide specialized services.

The following illustrates some major examples of program efforts by the IHS to meet the needs of the Indian people.

#### Otitis Media

Otitis media has always been a serious health problem among Indians and Alaska Natives, and in the last decade, has replaced tuberculosis as a major health problem, inflicting serious and often permanent damage.

The extreme prevalence of the disease, with the accompanying demands for prolonged treatment, curative and restorative surgery and rehabilitation created a workload that was impossible to meet with regular program resources. Congress appropriated funds specially for an otitis media program, making it possible for the Indian Health Service to institute the kind of program necessary to bring this serious problem under control. The President's Budget augments this effort by proposing additional support in subsequent years.

### Mental Health

As the Indian people have been caught more and more in the conflict between their traditional culture and the demands of modern American society, mental health problems have increased. The seriousness of mental health problems among Indians and Alaska Natives is demonstrated in the age adjusted suicide rate which is 1.8 times as high as that of all races, and a homicide rate 3 times as high. Indian deaths from alcoholism are 6.2 times as high as in the general population.

Emotional problems and behavioral disorders are frequent among Indian children in their struggle for identity and achievement of self-sufficiency in a new social environment. There is an increasing need for the mental health component in child guidance and counseling, and for the development of new and effective methods to prevent further trauma to the growing child.

In Fiscal Year 1976, professional mental health teams are working in all Indian Health Service areas, and a fully functioning inpatient mental health program has been operational for 4 years at Gallup. Indian mental health workers are performing a major part of mental health services in their respective communities, and numerous projects in alcoholism control are developed and operated by Indian communities.

### Nutrition

In spite of improvement in the quantity and nutritional quality of their available food supply, substantial numbers of Indians and Alaska Natives still do not have sufficient food and/or food of high nutritional quality to prevent or overcome the relatively common evidences of mild or moderately severe nutritional problems. This is particularly significant for those at highest nutritional risk: infants, pre-school children, prenatals, females in the childbearing years of 15-44, the elderly and the chronically ill. Lack of understanding of the relationship of food to health continues to be widespread.

Poor nutritional status may be associated with prematurity, retarded physical growth and development, underweight as well as obesity, a high incidence of infectious disease (particularly gastroenteric and respiratory), chronic disease and injury, unfavorable intellectual and emotional development, and poor performance during pregnancy.

Proper nutrition will contribute to the prevention of prematurity in infants. There also is growing evidence that the adequacy of nutrition during fetal life and early infancy may affect intellectual and behavioral development as well as physical growth and development.

### Dental Health

The Indian Health Service dental program provides: (1) preventive and clinical services through both the field health and contract dental program, (2) evaluation, planning and consultation services using its dental data system and published professional criteria and standards, (3) recruitment and career development of dental staff, (4) specialty clinical and laboratory services, and (5) community development services. It promotes community utilization of clinical services and water fluoridation, and the development of oral health resources. The program provides oral health services in 146 dental clinics, with 29 mobile dental units, with portable field equipment in hundreds of isolated rural communities, and through more than 700 privately practicing dentists. It is estimated that the program meets 42 percent of the estimated need for dental services.

### Maternal and Child Health

The high rate of illness and death among infants in the first year of life is met with emphasis on early prenatal care for the mother and continuing care after she and the baby leave the hospital. Health education activities are conducted to teach the mother proper ways to feed, bathe, and care for her family within the often limited resources of her home, how to recognize illness, and why it is important to observe good health habits and make regular visits to the clinic.

Nurse midwife programs have been introduced to reach mothers living in isolated areas. The first such program, initiated in Alaska in 1970, to expand and improve the health care of mothers and children, demonstrated the role a nurse midwife can play in reducing maternal and infant deaths. Similar programs have since been instituted in Shiprock and Gallup, New Mexico, in the Fort Defiance, Tuba City, Keams Canyon and Chinle Service Units in Arizona, in Pine Ridge and Rosebud, South Dakota, Lawton, Oklahoma, and Anchorage, Alaska.

Public Health Nursing has been actively involved in growth and development counseling, and close follow-up/supervision of high-risk mothers and infants, both directly and through other community workers.

### Environmental Health

The hazards of crowded living conditions and the lack of safe water and adequate waste disposal facilities have been and still are contributing factors to the high incidence of environmentally related disease among Indian and Alaska Natives.

Since 1960 the Service has been assisting Indian Tribes in the construction and provision of sanitation facilities. With the completion of all of the work undertaken or programmed through Fiscal Year 1976, it is estimated that over 48,500 existing Indian homes will have water and waste disposal facilities. In addition, under cooperative agreements with the Department of Housing and Urban Development, the Bureau of Indian Affairs and the Tribes, facilities will also have been provided to approximately 47,000 new or rehabilitated housing units for Indian families. The 1977 Request will enable the Indian Health Service to initiate additional projects to provide water and other facilities for 6,000 new and rehabilitated housing units to be built under Federal and Tribal Housing Programs and approximately 900 existing Indian homes located within or adjacent to housing project sites. Training will also be provided to communities and homeowners in the proper use, care and maintenance of these facilities.

### Advocacy

One of the main aspects of the IHS program is the emphasis placed on equity of access to, and quality of, health services for Indian people. For most Indians, the IHS represents the only source of health services available to them, this being the result of isolation, both geographic and cultural, poor transportation, poor roads and economic deprivation. These services are provided as a result of Federal obligation derived from treaties, laws, court decisions and Congressional actions. However, in addition to these special programs for Indians, provided because of their status as Indians, these people are entitled also to participate in the full range of programs open to them as citizens of the Country, States and their community of residence. To encourage awareness of, and participation in these programs designed to serve the general public, the IHS serves as the principal Federal advocate for Indians in the health field. Thus, it seeks to make Indians themselves

aware of their entitlements to such programs, as well as acting on their behalf in efforts to make other Federal, State and local governmental agencies, as well as those in the private sector, aware of their responsibilities and it encourages them to act in a positive manner in considering the needs of Indian people, and the abilities of their programs to help meet these needs. Some success in these endeavors has been achieved. For instance, Indians are now assured participation in the Medicaid program of the Social and Rehabilitative Service.

Other programs within the IISA provide substantial assistance to the Indian people. In addition to IISA programs, many other programs of the Public Health Service, such as the Center for Disease Control, Health Resources Administration, National Institutes of Health and Alcohol, Drug Abuse and Mental Health Administration have made significant contributions to Indian health status. Other components of HEW also contribute, as do other Federal departments including Agriculture, Interior, Labor and many others.

#### INDIAN INVOLVEMENT

##### P.L. 93-638, The Indian Self-Determination and Education Assistance Act

One of the principal forces impacting on the development of Indian policy is the concept of Indian management of their own health affairs. This concept of self-determination, espoused by both the legislative and executive branches, has reached fruition in P.L. 93-638, the Indian Self-Determination and Education Assistance Act. This landmark law recognizes the special and unique relationship with the Federal Government enjoyed by Indians and provides specific directives and mandates to the two principal Federal Indian Agencies regarding Indian operation of Federal programs. Recognizing the importance of this new law, the Department of Health, Education, and Welfare, through the Indian Health Service, has taken extraordinary means to seek and include the recommendations of the Indian people in the drafting of the regulations needed to implement this Act.

In the ten months during which the regulations were formulated and published, the IHS held meetings to solicit comments from interested Indian parties. Draft regulations were widely disseminated, again with the object of soliciting Indian input. At all stages of development of the regulations, particular effort was made to respond to the resultant recommendations of the Indian people, and, where at all possible, they were incorporated in the regulations published November 14, 1975.

The enactment and implementation of this Act provides the culmination of many years of effort on the part of the Indian people, the Executive, and the Legislative branches of the government. The Indian Health Service is providing assistance to Indian communities and individual Indian people in acquiring the experience, skill and knowledge necessary in operating their own health enterprises. It is also assisting Indian people in the creation and development of health institutional capacities through which Indian efforts can function. This new law provides a great impetus to the achievement of self-determination for Indian people and will enable the IHS to maximize its programs regarding Indian participation in setting their own health objectives and operating their own programs.

#### Community Program Guidance and Operations

During the past decade, the Indian people have shown great initiative in involving themselves in the management of their programs. They have established a tier system of Indian operated institutions through which they provide leadership and guidance to the Indian Health Service at all its functional levels. These instrumentalities are health boards, estab-

lished by, and responsible to, the Indian tribal government. The local community board, functioning at the Service Unit level, provides a mechanism for tribal initiative in establishing health priorities, budget management, and personnel selection and utilization.

Representatives from community boards are selected to represent the various local groups at the Area level. Their responsibility is to function with the Area Director and his staff in matters pertinent to Area level operations, programs and policies.

The apex of this tier system of consumer input is the National Indian Health Board and the National Tribal Chairmen's Association which function on a national level.

These boards have been created as a result of Indian initiative and desire to assume responsibility for managing their programs. They are responsible to the Indian people and at the same time provide a vehicle for input into how their programs are managed. These boards are instruments of tribal governments, to which the Indian Health Service basically relates in the conduct of its program.

#### PROGRESS

To continue the success shown by the Indian Health Service to date, it is essential that it continue to be postured to meet current challenges including those arising out of the passage of P.L. 93-638. Continued progress has been made in upgrading physical plants. For instance, since 1955, 17 hospitals, 20 health centers and 58 field stations have been constructed. A new 80 bed hospital at Claremore, Oklahoma, will open in the early spring of 1977. Planning is completed for a new hospital at Acoma-Laguna-Canoncito and replacement hospitals at Santa Fe, New Mexico and Whiteriver, Arizona. Phased construction funds have been appropriated for the Acomita and Santa Fe facilities. In addition, planning is completed for expanding and modernizing the hospital at Shiprock, New Mexico. Funds for the second phase planning and installation of pilings were appropriated in 1976 for the Bethel, Alaska, replacement facility. 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. Planning funds for replacement facilities at Red Lake, Minnesota, and Cherokee, North Carolina, and a new facility at Ada, Oklahoma, have been appropriated.

In FY 1976 construction funds were also appropriated for health centers at Lummi, Washington, and Menominee, Wisconsin. Facilities, therefore, represent a substantial long-term investment in Indian health.

The program has continued to expand as the Federal Government, together with the Indian people, strive to meet the increasing health needs of the Indian people. The demands placed upon facilities and staff are a recognition of the growing importance placed by the Indian people on adequate health care. One example illustrates this increasing demand. Outpatient visits to Indian Health Service and contract facilities have increased from about 1,500,000 in 1963, to 2,759,000 in 1975. It is estimated that in 1976 they may reach 2,800,000. Dental Services provided in 1975 are 2.5 times those provided in 1963, 947,000 compared with 385,000.

The results of efforts to improve the health of Indians are encouraging, indeed. Since 1955 for example, the Indians and Alaska Native infant death rate has been reduced by 70 percent, the death rate from certain diseases of early infancy is down 69 percent. The death rate from gastritis and related diseases has dropped by 83 percent and the influenza and pneumonia death rate is down by 67 percent. These gains reflect a greater chance of life for the infants and a greater survival rate for Indian people as a whole.

#### CONTINUING CHALLENGES

As stated previously, the Indian Health Service hopes to raise the health of Indian people to the highest levels possible. In spite of dramatic improvements, there still remain many areas in which the health levels of these people fall below those of the general population. For example, in FY 1974, the infant death rate among Indians and Alaska Natives was still 1.1 times higher than the rate in the nation in general. The tuberculosis and diabetes age adjusted death rates were 6.5 and 1.8 times that of the general population respectively, while the rates for influenza and pneumonia exceeded the all races rate by 1.5 times. The age adjusted death rate for cirrhosis was 4.4 times higher and the rate for accidents, the leading cause of death among Indians, was 3.2 times higher.

In the face of these remaining challenges, the Indian Health Service expects to continue pursuit of its goal and mission by continuing its efforts to manage its resources in innovative ways consonant with health needs, in order to assure that comprehensive health care is available to the Indian people who need it. This will be done in ways that assure Indian community control and direction of programs which are designed to meet their needs. They will continue to be encouraged to exercise their options regarding program control and operations.

To continue the program, the 1977 appropriation request contains \$314,594,000 for Indian Health Services and \$40,345,000 for Indian Health Facilities. This increase in Services will provide \$27,851,000 for mandatory increases. Included in the request is \$12,000,000 to fund alcoholism projects previously funded by the National Institute of Alcohol Abuse and Alcoholism. The \$40,345,000 in construction will provide Sanitation facilities for 6,900 Indian homes (\$32,445,000); the second construction stage for the Santa Fe hospital (\$6,790,000) and equipment requirements for the new hospital at Acoma, New Mexico (\$1,110,000).

## TRENDS IN INDIAN HEALTH

Dr. JOHNSON. In summarization, Mr. Chairman, I would like to introduce also the chart series that we have presented to the committee over the last number of years.

We would note again the program accomplishments identified in chart 1 which will be shown in greater detail on the subsequent charts.

They indicate the continuation of the favorable trends in health improvements that is characteristic of the program for the last 20 years now.

Charts 2 to 8 show the continual decline in mortality rates, including the infant mortality and maternal mortality rates, gastroenteritis and other diseases.

Senator MONTROYA. I think you had better lower your mike. I am having a hard time hearing you.

Dr. JOHNSON. In charts 9 to 14, we introduce a number of health problems which are continuing to create serious problems. We are talking about such things as otitis media, problems of suicide, accidents and alcoholism.

I think it is apparent from these charts that we continue to have serious problems in dealing with these problems, and I think more than that, we need to point out to the committee that these are problems that have their genesis in the community, the socio-economic, educational, and environmental factors, and are not the type of health problems that can be solved readily by traditional, scientific medicine.

They are not the things that just doctors and nurses deal with. They require a broad-based program, working within the communities themselves.

Chart 15 is in here, to once again remind us that we have made some significant improvements in the health status in this period of time, but in a number of important areas the health status of Indian people continues to lag significantly behind that of the general population.

In many of these elements the health status remains a generation behind that of the general population. That is a gap that remains to be closed. The next series of charts, Nos. 16 to 19, again identify for you the work load showing continuing increase in the number of hospital admissions, admissions that have doubled in the last 20 years.

Outpatient visits have gone up about five times. Dental visits about the same rate. This is an indication of the acceptance and the accessibility of the program to the communities.

In the last chart we have put in because it is the factor that is a burden that we all have to carry. That is the medical care cost index. As we will see in the budget before you virtually all of the increases identified in the budget are related to increase in costs of medical care. We showed the same problems of cost escalations as found in the general population in medical care industry in general.

So with that you have before you an appropriation estimate of \$314,594,000 for Indian health services, and \$40,345,000 for Indian health facilities.

We would be glad to answer any questions that you may have.

## SUMMARY OF 1977 BUDGET REQUEST

Senator MONTROYA. Let us capsulize this again, Dr. Johnson. You are asking for \$200—the total appropriation for 1976 is \$274,835,000 for services, right?

Dr. JOHNSON. That is the fiscal year 1976 appropriation to date, yes. It is \$286,743,000, subtracting the \$5,294,000 that was proposed for the rescission, and including the pending pay cost supplemental and a comparative transfer for the alcoholism program.

Senator MONTROYA. That rescission is not going to be approved; is it?

Dr. JOHNSON. My understanding is that it is not.

Senator MONTROYA. So on that basis what would you need for the ensuing fiscal year?

Dr. JOHNSON. For fiscal year 1977 one would first have to add in the rescission amount, plus the annualization of the programs that will be started with the 1976 program additions.

The total amount for 1977 that would be required is not identified in the present budget. It would be \$9,079,000?

Senator MONTROYA. \$9,079,000?

Dr. JOHNSON. That is correct.

Senator MONTROYA. That is not requested in the budget estimate?

Dr. JOHNSON. That is not reflected in the budget estimate before you.

Senator MONTROYA. These are 1977 requirements, resulting from 1976 congressional add-ons.

Dr. JOHNSON. That is correct.

Senator MONTROYA. It assumes the use of 1976 funds as appropriated.

Dr. JOHNSON. That is correct.

Senator MONTROYA. At the committee's request you supplied a chart detailing that need. So we will insert this chart into the record at this point.

[The tables follow:]

Indian Health Services Appropriation  
1977 Requirements Resulting from 1976 Congressional "Add-ons"  
Assumes use of 1976 Funds as Appropriated

	FY 1976	1977 Additional
	Congressional Add-ons	Requirements (not included
	Pos.	in 1977 President's Budget)
	Amount	Amount
<u>Patient Care:</u>		
<u>Direct Care:</u>		
1. Reduction for GSA rental .....	\$ -193,000	\$ -193,000
2. Position increase for 1976 President's Budget .....	188	---
<u>Indirect Care:</u>		
1. Checkerboard Area Health System .....	750,000	848,000
2. Medical Service - Blackfeet Tribe .....	52,000 2/	59,000 2/
<u>Preventive Health and Ambulatory Care:</u>		
FMS - Seneca Health Program .....	300,000	928,000
FMS - Menominee Health Program .....	200,000	654,000
FMS - Puyallup Health Program .....	849,000	693,000
PH&AC - Miami, Oklahoma Clinic .....	20	656,000
FMS - Urban Indian Health Projects .....	1,600,000	1,808,000
FMS - Medical-Dental Care - Alaska .....	430,000	800,000
Den. - Dental Services - Blackfeet Tribe .....	20,000 2/	20,000 2/
FMS - Community Health Aides .....	255,000	292,000
AC - Umatilla, Oregon Clinic .....	271,000	571,000
PH&AC - Wewoka, Oklahoma Health Clinic .....	400,000	1,394,000
Sub-Total .....	5,294,000	8,530,000 1/
<u>Indian Health Facilities</u>		
Rocky Boys, Montana Health Center		
1. Quarters construction .....	314,000	---
2. Health center equipment .....	120,000	396,000 1/
3. Lummis, Washington Health Center .....	1,000,000	153,000 1/
Sub-Total .....	1,434,000	549,000
GRAND TOTAL .....	6,728,000	9,079,000 1/

1/ To be funded under Indian Health Services appropriation.

2/ Reflects a distribution by budget activity but appears as one item in Senate Report.

## INDIAN HEALTH FACILITIES

1977 Requirements Resulting from 1976 Congressional "Add-ons"  
Assumes use of 1976 Funds as Appropriated

	Appropriation for A/E Design Prior to 1975	1975 Appropriation	1976 Appropriation (Congressional "Add-ons")	1977 Requirements	Requirements After 1977	*Total Cost of Facility
Chemawa, Oregon clinic .....	\$ 100,000	\$ ---	\$ ---	\$ 2,120,000 <u>1/</u>	\$ ---	\$ 2,220,000
Aconita, New Mexico Hospital .....	340,000	1,000,000	2,900,000	4,210,000 <u>2/</u>	---	8,450,000
Santa Fe, New Mexico Hospital .....	170,000	---	4,600,000	5,400,000	2,100,000 <u>3/</u>	12,270,000
Bethel, Alaska Hospital .....	600,000	---	1,500,000	15,000,000 <u>4/</u>	28,700,000 <u>4/</u>	45,800,000
Lummi, Washington clinic .....	---	---	1,000,000	590,000	---	1,590,000
Ada, Oklahoma Hospital .....	---	---	800,000	7,000,000	7,700,000	15,500,000 <u>5/</u>
Cherokee, North Carolina Hospital .....	---	---	500,000	3,600,000	3,900,000	8,000,000
Red Lake, Minnesota Hospital .....	--- <u>6/</u>	---	450,000	4,200,000	4,500,000	9,150,000
Menominee Clinic, Wisconsin .....	---	---	1,000,000	---	---	1,000,000
Rocky Boys, Montana Quarters (8 units) .....	---	---	434,000	---	---	434,000
Lamo Deer, Montana Quarters (20 units) .....	---	---	724,000	---	---	724,000
	1,210,000	1,000,000	13,908,000	42,120,000 <u>7/</u>	46,900,000	105,138,000

1/ The 1976 Senate Report No. 94-462 indicated that the Chemawa project should be included in the next budget submission. This was not possible within the 1977 OIG allowance.

2/ Includes equipment of \$1,110,000.

3/ Equipment.

4/ Includes equipment of \$5,700,000.

5/ If total construction funds are made available in one year, there would be some savings.

6/ Master Planning Study completed with Tribal grant funds.

7/ Includes \$7,900,000 requested in 1977 President's Budget.

8/ Minimal incremental phase would be \$8,000,000.

\* This cost contingent on 1977 amount made available as indicated.

## ADEQUACY OF BUDGET

Senator MONTROYA. Dr. Johnson, your total services and facilities budget proposal, after restoring the rescission and adjusting for pending supplementals and the like, is about \$7.5 million over the program we funded in 1976. That's little more than 2 percent. Even if we had gone along with the rescission proposal, your 1977 increase would have been less than 4 percent. That's not enough to cover actual cost increases, is it?

Dr. JOHNSON. No.

Senator MONTROYA. Your health services budget request of \$314.5 million alone is about 7 percent over the program we funded for the current year. Is that really enough to cover all cost increases and maintain a full program level?

Dr. JOHNSON. No. The 1977 request does not include funds of \$6,600,000 required for unbudgeted contract health care costs and \$883,000 for recently authorized increased per diem costs.

## DEVELOPMENT OF 1977 BUDGET REQUEST

Senator MONTROYA. I would like to ask Mr. Forbush, who represents the Budget Office of the Department, to explain how the 1977 budget request and justifications were developed.

First, how much did the agency request for services and facilities, and how much did the Department approve for submission to OMB?

Mr. FORBUSH. Yes, sir. We have two layers here to go through. First, the Indian Health Service requested its budget through the Public Health Service, and the Public Health Service makes a request of the Department or the Secretary.

The Indian Health Service asked for \$359,411,000 for services, that was through the Assistant Secretary of Health. The Assistant Secretary of Health approved \$333,469,000.

Senator MONTROYA. These budget justifications are misleading to say the least. There is no display or explanation of actual decreases and not even a mention of the substantial changes that have occurred in the 1976 program aside from the rescission proposal. To clarify the record and enable the committee to look at the true budget picture the staff requested revised figures from IHS, and we will ask you to include these figures in the record at this point. These data include a revision of page 6 in the justification, a personnel summary showing requirements to maintain the 1976 program we funded, an itemization of absorbed cost increases, and a summary of 1977 funding requirements to maintain 1976 congressional program increases.

[The information follows:]

HEALTH SERVICES ADMINISTRATION  
INDIAN HEALTH SERVICE

Appropriated, 1975 (adjusted) .....	\$235,672,000
Total amount available .....	235,672,000

Appropriation, 1976 .....\$274,835,000

Comparative Transfer from the "Alcohol, Drug Abuse and Mental Health" Appropriation .....	+11,499,000
Comparative Transfer to the "Health Services" Appropriation .....	-61,000
Proposed Supplemental for 1976 pay Increases .....	+5,764,000

Total Amount Available, 1976 .....	292,037,000
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Summary of Increases and Decreases, 1977

Mandatory as Reflected in 1977 Congressional Submission  
(President's Budget)

	<u>Base</u>	<u>Increase</u>	
<u>Patient Care</u>			
Hospital Care - To provide for net mandatory increases .....	\$102,284,000	\$8,206,000	
Contract Care - To provide for net mandatory increases .....	51,110,000	8,622,000	16,828,000
<u>Preventive Health and Ambulatory Care</u>			
Sanitation - To provide for net mandatory increases .....	9,382,000	349,000	
Dental - To provide for net mandatory increases .....	9,864,000	374,000	
Public Health Nursing - To provide for net mandatory increases .....	5,028,000	268,000	
Health Education - To provide for net mandatory increases	2,196,000	97,000	
Field Medical Services - To provide for net mandatory increases .....	48,373,000	6,230,000	
Ambulatory Care - To provide for net mandatory increases	55,056,000	3,601,000	10,919,000
<u>Program Management</u>			
To provide for mandatory increases .....	3,450,000	104,000	104,000
Subtotal Congressional Mandatory .....			27,851,000

Mandatory Resulting From 1976 Congressional Add-onsIncreasePatient Care:

Checkerboard Area Health System .....	98,000	
Medical Service - Blackfeet Tribe .....	7,000	105,000

Preventive Health and Ambulatory Care:

Seneca Health Program .....	628,000
Menominee Health Program .....	454,000
Miami, Oklahoma Clinic .....	296,000
Urban Indian Health Projects .....	208,000
Medical-Dental Care - Alaska .....	370,000
Dental Services - Blackfeet Tribe .....	0
Community Health Aides .....	37,000
Umatilla, Oregon Clinic .....	300,000
Wewoka, Oklahoma Health Clinic .....	994,000
Rocky Boys, Montana - Staff per Clinic .....	396,000
Lummi, Wash. - Staff per Clinic .....	153,000

Sub-Total Congressional Mandatory Increase .....	3,941,000
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Decrease:Preventive Health and Ambulatory Care:

Puyallup Health Program .....	156,000	156,000
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Sub-Total Net Congressional Mandatory Increase .....	3,785,000
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Total 1977 Mandatory Increase .....	31,636,000
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Total Revised Budget Estimate, 1977 .....	323,673,000 <sup>1/</sup>
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<sup>1/</sup> Excludes \$1,686,000 for 130 positions for Claremore, Oklahoma.

INDIAN HEALTH SERVICESSummary of Positions

<u>Activity</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>
Patient Care:			
Hospital Care .....	3,906	4,084	4,169
Contract Care .....	40	40	40
Total .....	3,946	4,124	4,209
Preventive Health and Ambulatory Care:			
Sanitation .....	476	484	491
Dental .....	504	515	554
Public Health Nursing .....	283	290	295
Health Education .....	100	103	109
Field Medical Services .....	424	449	460
Ambulatory Care .....	2,247	2,407	2,512
Total .....	4,034	4,248	4,421
Program Management .....	128	128	128
Total .....	8,108	8,500	8,758 <sup>1/</sup>

<sup>1/</sup> Includes an increase of 128 positions related to programs added by Congress in 1976 and 130 positions for the new hospital at Claremore, Oklahoma scheduled for completion in FY 1977. An additional \$1,686,000 will be required in FY 1977 for the 130 new Claremore positions.

Unbudgeted Cost Increases not included in 1977 President's Budget Request

Contract Health Care Cost Increases .....	\$6,600,000
Per Diem Increases .....	883,000
Total .....	7,483,000

## PROPOSED RESCISSION

Senator MONTROYA. In the President's rescission proposal the statement is made that the cutback would not adversely affect the continued provision of high quality medical care to Indian and Alaska Natives. How do you justify that statement?

Dr. JOHNSON. I cannot fully justify that statement. I would say, however, that we are currently providing as high quality care as we can within resources available to the program even though we are not fully meeting all needs.

Senator MONTROYA. The rescission message also quarrels with the provision of health care to nonreservation Indians in urban areas who are entitled to other medical program benefits. Isn't it true that the congressional add-on for urban Indians does not provide any new direct health care?

Dr. JOHNSON. That is correct.

Senator MONTROYA. It was the committee's intent to provide direct urban Indian health care only in the case of the Seattle program, which was losing its clinical support from other HEW proposals. If that provision were rescinded, how would that program be continued?

Dr. JOHNSON. I believe it would be in extremely serious difficulty.

## BUDGET CONSTRAINTS

Senator MONTROYA. You had better supply the details for the record. Submit a comparative statement showing by activity, subactivity and program the dollars and personnel requested by the agency, approved by the Department and allowed by OMB.

Dr. JOHNSON. I will.

[The information follows:]



INDIAN HEALTH SERVICES APPROPRIATION  
HISTORY OF 1977 REQUEST

	FY 1977 IHS REQUEST		1977 PRELIMINARY REQUEST BY HSA AND THIS TO DISM		1977 DHEW REQUEST TO OIB		1977 OMB (PRESIDENT'S BUDGET) REQUEST TO CONGRESS	
	POS.	MY'S AMOUNT	POS.	MY'S AMOUNT	POS.	MY'S AMOUNT	POS.	MY'S AMOUNT
Contract Care								
Contract Health Services .....	--	1,000,000	--	1,000,000	--	1,000,000	--	1,000,000
Sub-Total - Patient Care ....	326	12,143,000	263	7,001,000	--	6,685,000	--	6,685,000
II. Preventive Health and Ambulatory Care								
Sanitation								
Environmental Health .....	150	2,700,000	60	1,700,000	50	1,600,000	--	1,600,000
Dental								
Dental Services .....	127	2,078,000	65	1,078,000	55	41	978,000	---
Public Health Nursing								
PHN Services .....	70	1,260,000	40	760,000	35	26	710,000	---
Health Education								
Health Education Services .....	37	670,000	10	170,000	--	---	--	---
Field Medical Services								
Nutrition .....	23	420,000	10	220,000	10	7	220,000	---
Alaska Communications .....	--	1,000,000	--	1,000,000	--	---	--	---
Mental Health .....	134	10,465,000	34	780,000	34	25	780,000	---
Menominee .....	--	---	--	---	--	---	--	---
Tribal Programs .....	--	7,290,000	--	1,050,000	--	---	--	1,780,000
Sub-Total - FMS .....	157	19,175,000	44	3,050,000	44	32	3,250,000	---
Ambulatory Care								
Ambulatory Care Services .....	163	2,930,000	163	2,930,000	131	113	3,150,000	---
Eye Care .....	14	675,000	14	500,000	14	11	500,000	---
Equipment .....	--	100,000	--	---	--	---	--	---
Health Care in Primary & Secondary								
BIA Schools .....	68	1,400,000	--	---	--	---	--	---
Sub-Total - AG .....	245	5,105,000	177	3,430,000	165	124	5,650,000	---
Sub-Total - Preventive Health and Ambulatory Care .....	786	30,988,000	396	10,188,000	369	261	10,488,000	---
Total Program Increase .....	1,112	43,131,000	659	17,189,000	580	435	16,873,000	---
Total - Mandatory & Programs ..	1,242	72,668,000	789	46,726,000	710	519	63,655,000	---
Sub-Total - Mandatory & Programs ..	--	---	--	---	--	---	--	---
Decreases:								
Positions .....	--	---	--	---	--	---	--	-30
FY 1977 Request .....	9,103	8,534,359,411,000	8,650	8,192,333,469,000	8,571	8,133,433,238,000	7,831	7,491,314,594,000

Decreases:  
Positions .....

Senator MONTROYA. Who made the decision to submit budget justifications based on a rescission proposal that was obviously unlikely to be approved?

Dr. JOHNSON. It was made at a level higher than the IHS.

Senator MONTROYA. Why is there no display or even mention of the personnel reductions in fiscal year 1976 caused by imposition of a reduced ceiling?

Dr. JOHNSON. Our original submission did more adequately display the personnel reductions. During the review of our 1977 budget request this display was basically eliminated.

Senator MONTROYA. Who made the decision to reduce employment and why?

Dr. JOHNSON. I don't really know. It was not an IHS proposal.

Senator MONTROYA. Congress approved specific 1976 appropriation increases for Indian Health Services amounting to 2 percent of the budget request. Please tell the committee why these modest increases in total were recommended for rescission.

Dr. JOHNSON. My understanding is that all increases not included in the 1976 President's budget were proposed by the OMB for rescission.

Senator MONTROYA. How can anyone—the Department, OMB or the President himself, for that matter—justify submitting a budget that does not even provide adequate staffing for a new hospital, such as the Claremore facility in Oklahoma?

Dr. JOHNSON. The positions and funds were requested by the IHS but disallowed at higher level. The need for adequate staff for a new facility seems obvious.

Senator MONTROYA. It would appear that the 1977 budget request does not fully cover actual cost increases, as we discussed earlier. Will this not effect a program reduction, particularly in contract medical care?

Dr. JOHNSON. Yes, it will.

Senator MONTROYA. Who made the decision to cut back in this area, and why?

Dr. JOHNSON. Because of the timing of the budget process, it was not possible to reflect these unbudgeted cost increases for 1976 or 1977. The IHS has submitted a supplemental appropriation for this purpose for fiscal year 1976 which is currently under review.

Senator MONTROYA. The justification on page 11 states that the budget request will provide a higher level of hospital services but reduce the quality of care. Again, how is a reduction of this type justified?

Dr. JOHNSON. In my opinion, the reduction which results from a decreased number of positions is not justified. If the Congress overrules the proposed Presidential rescission, these positions will be restored.

The Department request to OMB was \$330,298,000.

Senator MONTROYA. How much?

Mr. FORBUSH. \$330,298,000. This was related to appropriation. It would have permitted some program increases, as well as maintaining the past initiatives.

The President's budget, however, was \$314,594,000.

Senator MONTROYA. 592?

Mr. FORBUSH. 594.

Senator MONTROYA. So he will cut—you will cut \$16 million from the departmental request?

Mr. FORBUSH. That is correct. On facilities, the Indian Health Service requested \$222,775,000.

Senator MONTROYA. How much?

Mr. FORBUSH. It was \$222,775,000. The Assistant Secretary for Health approved \$84,306,000.

Senator MONTROYA. \$84 million?

Mr. FORBUSH. It was \$84,306,000. The Department request to OMB was \$73,137,000.

Senator MONTROYA. Seventy what?

Mr. FORBUSH. \$73,137,000. The President's budget was \$40,345,000, and the appropriation was \$55,366,000.

Senator MONTROYA. Well, you were really whittled down on facilities, weren't you, from \$222 million which you initially asked of the Department, to \$40,300,000.

What is that going to do to your construction?

Dr. JOHNSON. The construction program that is in the President's—

Senator MONTROYA. This will not even take care of maintenance; will it?

Dr. JOHNSON. Well, it will permit us to take the second step of completing the Acoma-Laguna-Canoncito hospital and it will permit us to do another phase of the Santa Fe hospital.

It will also help us provide the sanitation facilities for 6,000 new houses and for 900 existing houses which will be in project areas. But that would be the extent of our facilities programs for fiscal year 1977.

#### CONSTRUCTION PROGRAM

Senator MONTROYA. Let's look at construction more closely. First, Mr. Forbush, would you explain all the reasons for the administration's proposal to defer the additional facility construction funded by Congress for the current year?

Mr. FORBUSH. A deferral that originally was proposed was for funding of all construction items which exceeded the President's budget request. Additionally, some items that were included in the deferral provided only partial funding for construction of IHS hospitals. We believe that it may create false expectations to begin the facilities without having available the moneys required to complete them. In any event, the proposed deferral recently was turned down by the Congress, and the Administration has apportioned the moneys, making them available for obligation.

Senator MONTROYA. The deferral message stated a policy against phased construction funding as the reason for the deferral. Yet three of the facilities you wanted to defer were not phased. Why did you ask to defer those—Menominee, Lame Deer and Rocky Boys facilities?

Dr. JOHNSON. The OMB's policy is apparently to defer all construction projects which were not included in the 1976 President's budget.

Senator MONTROYA. While stating a policy against phased construction, you are proposing in the budget before us to fund phased construction of the Santa Fe Hospital. How do you explain this inconsistency?

Dr. JOHNSON. Mr. Chairman, the policy of not phasing construction projects was enunciated by higher echelon. Therefore, I cannot explain the inconsistency.

Senator MONTROYA. Please spell out for the committee what is wrong with phased funding in the first place, particularly with the large and expensive projects.

Dr. JOHNSON. I personally believe phased construction is a sensible way to proceed.

Senator MONTROYA. The proposed construction budget for 1977 is down in every aspect, even sanitation facilities where the need is specific and demonstrably urgent. Couldn't you find less compelling areas to impose budget constraints?

Dr. JOHNSON. It was an OMB decision.

Senator MONTROYA. If the budget development information we requested earlier does not include specific information on the agency request for facilities, please see that it is detailed at this point in the record.

Dr. JOHNSON. I will be glad to.

[The information follows:]

History of 1977 Request  
(In thousands of dollars)

	Preliminary (HSA Fed. Plan)	HSA - "H" Final Allowance	Dept. Allow. Formal Sub- mission to OMB	OMB Allow. Pres. Budg.
<u>Hospitals</u>				
<u>New and Replacement</u>				
Accmita, N.M. - New (balance of construction funds)	\$ 6,400	\$ 6,400	\$ 6,400	\$1,110 4/
Santa Fe, N.M. - Replacement	10,700	10,700	10,700	6,790 2/
Whiteriver, Arizona - Replacement	11,400	11,169	0	0
Winslow, Arizona - Replacement	10,200	10,200	10,200	0
Bethel, Alaska - Replacement	31,500 1/	1,500 2/	1,500 2/	0 2/
Harlem, Montana - Replacement	5,500	0	0	0
Sacaton, Arizona - Replacement	12,700	0	0	0
Rosebud, South Dakota - Replacement	10,800	0	0	0
Red Lake, Minnesota - Replacement	10,500	0	0	0
Pawnee, Oklahoma - Replacement	7,600	0	0	0
Total New and Replacement .....	117,300	39,969	28,800	7,900
<u>Modernization and Repair</u>				
<u>Major</u>				
Shiprock, N.M. - Construction	22,200	0	0	0
Browning, Montana - Plan	500	0	0	0
Pine Ridge, South Dakota - Master Plan	70	0	0	0
Sub-total .....	22,770	0	0	0
<u>Minor</u>				
Mt. Edgecumbe, Alaska - Misc. airts. - Sewage plant	748	0	0	0
Tablequah, Oklahoma - Repairs	850	0	0	0
Rosebud, South Dakota - Repairs	636	0	0	0
Winnipeg, Nebraska - Repairs	460	0	0	0
Sub-total .....	400	0	0	0
Total Modernization and Repair .....	3,094	0	0	0
Total Hospitals .....	25,864	0	0	0
Total Hospitals .....	143,164	39,969	28,800	7,900

	Preliminary (HSA Fwd. Plan)	HSA - "H" Final Allowance	Dept. Allow. Formal Sub- mission to OMB	OMB Allow. Pres. Suda.
<u>Outpatient Care Facilities</u>				
Chemawa, Oregon - Replace School Health Center	\$ 2,120	\$ 0	\$ 0	\$ 0
Tsalle, Arizona - New Health Center	2,200	0	0	0
Torreón, New Mexico - New Health Center	630	0	0	0
Cibicue, Arizona - New Health Center	780	0	0	0
Lumai, Washington - New Health Center	1,500	0	0	0
Haskell, Kansas - Replace School Health Center	770	0	0	0
Total Outpatient Care .....	8,000	0	0	0
<u>Personnel Quarters</u>				
Lame Deer, Montana - 20 units	764	0	0	0
Tohatchi, New Mexico - 13 units	497	0	0	0
Tsalle, Arizona - 19 units	726	0	0	0
Torreón, New Mexico - 5 units	241	0	0	0
Cibicue, Arizona - 8 units	383	0	0	0
Total Personnel Quarters .....	2,611	0	0	0
<u>Sanitation Facilities</u>				
New housing program - 9,500	43,700	43,700	43,700	31,808
Regular existing program	25,300 <u>3/</u>	637	637	637
Total Sanitation .....	69,000	44,337	44,337	32,445 <u>5/</u>
Total 1977 Request .....	222,775	84,306	73,137	40,345

- 1/ Includes \$800,000 to continue planning.
- 2/ Represents planning and installation of pilings.
- 3/ Represents funds for 4,500 homes - total of 14,000.
- 4/ Represents equipment requirements.
- 5/ Second stage of 3 phased construction project.
- 6/ 6,000 HUD - 900 adjacent - total 6,900 homes.

## FUNDING OF SANTA FE AND ACOMA-LAGUNA-CANONCITO HOSPITALS

Senator MONTROYA. On the basis of what the committee did yesterday to deny the deferral of this program, what will you be able to do with respect to Santa Fe and Laguna?

Dr. JOHNSON. With this disapproval of deferrals we will be able to do first-phase construction for both the Santa Fe and the Acoma-Laguna-Canoncito hospitals. We will be able to do site work. We will be able to do the foundations. We will be able to do the structure, the rough walls, and order long-lead equipment and other construction items. We will be, in fact, in phase with our best judgment as to how the expenditure of funds should go in the Acoma-Laguna-Canoncito hospital.

The Santa Fe hospital will be somewhat set back in the sense that our second phase for Santa Fe should have been a little bit greater than we currently have in the budget. But we will, in fact, be able to proceed with Santa Fe also in 1977, given this budget.

Senator MONTROYA. Wasn't this budget for Santa Fe based on the possibility that the deferral might be approved and the construction might be delayed because of it?

Dr. JOHNSON. Yes; it was.

Senator MONTROYA. Now that the deferral will be disapproved, what funding requirement would you need to propitiously pursue or continue your construction schedule?

Dr. JOHNSON. We should have had in 1977 to carry out the second phase of the Santa Fe project \$5,400,000 instead of \$3,690,000 that could be funded in the 1977 President's budget.

Senator MONTROYA. That is in addition to the \$4,600,000 which you have?

Dr. JOHNSON. Right. It has already been appropriated.

Senator MONTROYA. With respect to the Laguna or the Acomita hospital?

Dr. JOHNSON. We have in the budget the funding that permits us to complete the Acoma-Laguna-Canoncito hospital with the 1977 budget.

Senator MONTROYA. How much is that?

Dr. JOHNSON. That is \$4,210,000.

Senator MONTROYA. That includes \$1,110,000 for equipment?

Dr. JOHNSON. That is correct. So the total funding would be in here, based on the disapproval.

Senator MONTROYA. But you do need the additional amount now that the revision or deferral has been disapproved?

Dr. JOHNSON. Yes; that is correct.

Senator MONTROYA. When would you be ready to proceed with construction of this hospital, the Santa Fe hospital?

Dr. JOHNSON. The portion of the request for the funding will be going to the Department today on its way to OMB. We would anticipate apportionment in a matter of a couple of weeks.

Mr. FORBUSH. I would think it would be much less than that. If the Senate has voted the deferral down it would be a routine matter. It is a matter of law that has to be done.

Dr. JOHNSON. So as soon as we have the apportionment we will go out and negotiate with the construction manager. We have to advertise it. We are talking about 30 to 60 days.

Another 30 days for the construction manager to give us a gross maximum price. We are talking about some time this summer that we will be under construction on both of those facilities.

Senator MONTROYA. And bids will be evaluated and the successful bidder will be approved before July 1?

Dr. JOHNSON. Let's see, this is April. April, May, June, no, probably not. We are probably talking about July. We should have construction manager contracts much before July 1st.

But we do have to give them about 30 days to develop gross maximum prices. Then they go out when that is approved and subcontract, so we should be letting contracts the early part of the summer and should get them well under way in the construction season.

#### DEFERRED FACILITY NEEDS

Senator MONTROYA. What about the rest of the facilities we funded that were proposed for deferral? Could they be obligated this year?

Dr. JOHNSON. Obligation would be initiated in fiscal year 1976 for all projects.

Senator MONTROYA. At the committee's request you recently supplied a table on available additional funds for construction and fiscal 1977 requirements to maintain that construction program. We will include that table in the record at this point.

[The information follows:]

## INDIAN HEALTH FACILITIES

1977 Requirements Resulting from 1976 Congressional "Add-ons"  
Assumes use of 1976 Funds as Appropriated

	Appropriation for A/E Design Prior to 1975	1976		1977 Requirements	Requirements After 1977	*Total Cost of Facility
		1975 Appropriation	Appropriation (Congressional "Add-ons")			
Chemawa, Oregon clinic .....	\$ 100,000	\$ ---	\$ ---	\$ 2,120,000 <sup>1/</sup>	\$ ---	\$ 2,220,000
Acomita, New Mexico Hospital .....	340,000	1,000,000	2,900,000	4,210,000 <sup>2/</sup>	---	8,450,000
Santa Fe, New Mexico Hospital .....	170,000	---	4,600,000	5,400,000	2,100,000 <sup>3/</sup>	12,270,000
Bethel, Alaska Hospital .....	600,000	---	1,500,000	15,000,000 <sup>4/</sup>	28,700,000 <sup>4/</sup>	45,800,000
Lummi, Washington clinic .....	---	---	1,000,000	590,000	---	1,590,000
Ada, Oklahoma Hospital .....	---	---	800,000	7,000,000	7,700,000	15,500,000 <sup>5/</sup>
Cherokee, North Carolina Hospital .....	---	---	500,000	3,600,000	3,900,000	8,000,000
Red Lake, Minnesota Hospital .....	---	---	450,000	4,200,000	4,500,000	9,150,000
Menominee Clinic, Wisconsin .....	---	---	1,000,000	---	---	1,000,000
Rocky Boys, Montana Quarters (8 units) .....	---	---	434,000	---	---	434,000
Lame Deer, Montana Quarters (20 units) .....	---	---	724,000	---	---	724,000
	1,210,000	1,000,000	13,908,000	42,120,000 <sup>7/</sup>	46,900,000	105,138,000

<sup>1/</sup> The 1976 Senate Report No. 94-462 indicated that the Chemawa project should be included in the next budget submission. This was not possible within the 1977 OMB allowance.

<sup>2/</sup> Includes equipment of \$1,110,000.

<sup>3/</sup> Equipment.

<sup>4/</sup> Includes equipment of \$5,700,000.

<sup>5/</sup> If total construction funds are made available in one year, there would be some savings.

<sup>6/</sup> Master Planning Study completed with Tribal grant funds.

\* This cost contingent on 1977 amount made available as indicated.

<sup>7/</sup> Includes \$7,900,000 requested in 1977 President's Budget.

<sup>8/</sup> Minimal incremental phase would be \$8,000,000.

## COST INCREASES

Senator MONTROYA. First, Dr. Johnson, please explain why the latest construction estimates for the 1977 phase have increased nearly \$3 million over your estimates of last year.

Dr. JOHNSON. Senator, unfortunately the Federal Government is also subject to constantly rising construction costs of 10 to 15 percent. The \$3 million reflects these rising costs.

Senator MONTROYA. The table notes savings could be achieved in four of the construction projects if total funds were made available in 1 year. What kind of savings? Are they significant?

Dr. JOHNSON. As I just indicated, because of inflation, phasing of construction projects over several years results in somewhat higher costs and conversely a shorter construction period would result in somewhat lower costs.

The savings resulting if funds were made available in 1 year for the four hospitals would be \$5,900,000.

Senator MONTROYA. Please supply the savings estimates for the record for each of the four facilities—Bethel, Ada, Cherokee, and Red Lake.

Dr. JOHNSON. The savings would be \$3.7 million for Bethel; \$1 million for Ada; \$600,000 for Cherokee, and \$600,000 for Red Lake or a total of \$5.9 million for the four facilities.

## CHEMAWA CLINIC

Senator MONTROYA. The committee directed that project funds for the Chemawa clinic in Oregon be included in your 1977 submission. Was any effort made to comply with that directive?

Dr. JOHNSON. Yes; the Indian Health Service requested construction funds for the Chemawa clinic. The request was not allowed.

Senator MONTROYA. What will the \$2.1 million scheduled for the Chemawa clinic accomplish? Does that cover equipment?

Dr. JOHNSON. The \$2.1 million will complete the construction and provide for the necessary equipment.

Senator MONTROYA. Is this facility dependent upon BIA school construction?

Dr. JOHNSON. Yes.

## PRIORITIES

Senator MONTROYA. In addition to the table already included in the record, please supply an updated list of facility projects, indicating the IHS priorities for those which have moved into the planning stage.

Dr. JOHNSON. I will be glad to.

[The information follows:]

The priority listing of IHS Hospitals currently in the planning stage follow:

1. Acoma, New Mexico
2. Santa Fe, New Mexico
3. Bethel, Alaska
4. Whiteriver, Arizona
5. Shiprock, New Mexico
6. Winslow, Arizona
7. Harlem, Montana
8. Red Lake, Minnesota
9. Ada, Oklahoma
10. Cherokee, North Carolina
11. Sacaton, Arizona
12. Rosebud, South Dakota
13. Browning, Montana

## SANITATION FACILITIES

Senator MONTROYA. As we discussed earlier, your budget request for sanitation facilities is down. Apparently it is not sufficient even to meet the housing construction programs of HUD and the BIA, is that right?

Dr. JOHNSON. That is correct.

Senator MONTROYA. What additional funding would be required to keep pace with scheduled home construction?

Dr. JOHNSON. In 1977 an additional \$19,555,000 for 4,130 units would be required over and above the 1977 budget sanitation facilities request of \$32,445,000 and 6,900 units.

Senator MONTROYA. Your justification—p. 11—seems to express some doubt as to the ability of the Government to initiate all the planned Federal housing. Why?

Dr. JOHNSON. Our previous experience with HUD indicates that HUD generally does not reach its target. However, for 1976 and 1977 we are more hopeful.

Senator MONTROYA. Please supply for the record a State breakdown of your sanitation facility funding for 1975 and estimated for 1976 and 1977 fiscal years.

Dr. JOHNSON. I can provide that for the record.

[The information follows:]

## INDIAN HEALTH FACILITIES

## NOA BY STATE—SANITATION FACILITIES

[In thousands of dollars]

	Fiscal year—		
	1975	1976	1977
Alaska .....	\$13,390	\$16,765	\$14,099
Arizona .....	5,735	6,082	5,112
California .....	701	650	550
Colorado .....	44	100	84
Florida .....	95	381	321
Idaho .....	177	105	90
Iowa .....	3	33	28
Kansas .....	19	711	599
Louisiana .....	85	205	173
Michigan .....	29	215	184
Minnesota .....	356	404	340
Mississippi .....	220	292	246
Montana .....	1,529	752	633
Nebraska .....	204	205	173
Nevada .....	315	620	521
New Mexico .....	5,261	2,363	1,986
North Carolina .....	104	910	765
North Dakota .....	730	630	532
Oklahoma .....	5,299	1,108	932
Oregon .....	305	460	389
South Dakota .....	2,425	3,191	2,683
Utah .....	1,020	286	249
Washington .....	1,665	1,237	1,039
Wisconsin .....	605	439	370
Wyoming .....	205	410	347
Total .....	40,521	38,554	32,445

## CROWNPOINT HOSPITAL

Senator MONTROYA. Dr. Johnson, have you visited the hospital at Crownpoint?

Dr. JOHNSON. Yes, sir, a number of times.

Senator MONTROYA. Has anything been done to try to provide a new health facility there?

Dr. JOHNSON. As you know, Mr. Chairman, that is one of the facilities that we have included in our long-term construction program. The Crownpoint Hospital is quite inadequate to serve as an effective base for modern health care programs.

We have done a good bit over the last number of years to try to improve it. We have added some outpatient space.

We have done as much as we could to provide for fire safety. I think that is about all we can do with it. We have a planned program designed so that at the earliest opportunity we can request planning funds.

Senator MONTROYA. I visited that hospital. It is one of the oldest hospitals that I have ever seen. It certainly does not lend itself to proper patient care, because of the antiquated nature of the building. They have improper heating and quite a few other things.

Dr. JOHNSON. It is quite an inadequate facility. I absolutely agree.

## PROBLEMS OF STAFFING

Senator MONTROYA. Are you having a hard time attracting people to work there because of the nature of the building?

Dr. JOHNSON. I think there are a couple of problems in attracting or retaining staff. One is obviously inadequate physical facilities and inadequate equipment and so forth. But another part of that also has to do with the level of staffing. It is hard enough to work in an old, obsolete facility and when you are also short of hands to do the work, that is more discouraging. It goes to providing a basis for much of our problems, particularly in retention.

## CHECKERBOARD AREA HEALTH CARE

Senator MONTROYA. What provision is made in this budget for—or what does your Department have in mind with respect to the continuation of the facilities and the operation thereof in the Cuba checkerboard health program?

Dr. JOHNSON. The \$750,000 provided by Congress last year for the checkerboard health program was proposed for a rescission. In the absence of the rescission, the rejection of the rescission, of course, we will have available the \$750,000 for this current fiscal year.

We will, however, need to have that included in the 1977 budget, in addition to what is asked for here. That would be a part of the table that you have asked us to provide for you.

Senator MONTROYA. You will need \$848,000 because of increased costs?

Dr. JOHNSON. That is right.

Senator MONTROYA. To maintain the same constant dollar level?

Dr. JOHNSON. The same constant service level; that is correct.

Senator MONTROYA. We will have to add it on, then; is that right, Doctor?

Dr. JOHNSON. That is correct.

Senator MONTROYA. Why does this continue to be an orphan in the funding process when it is one of the best projects that we have in the delivery of health care to Indians?

Dr. JOHNSON. I think it is a victim of the no-program-increase mode of budgeting that we have been in in recent years.

Senator MONTROYA. How many Indians do you serve through this project?

Dr. JOHNSON. The checkerboard project covers about 10,000.

Senator MONTROYA. 10,000 Indians? Over what kind of an area?

Dr. JOHNSON. It is a great many square miles. It is the whole northwest part of New Mexico. I expect it is a larger area than many of the Eastern States.

Senator MONTROYA. Would you say that the area is about 100 miles by 100 miles?

Dr. JOHNSON. That would be pretty close. It is a long distance. There is not very much in terms of settlement within that particular geography.

Senator MONTROYA. My staff here tells me it is 4,000 square miles. What does your man tell you?

Dr. JOHNSON. I do not think my man has that answer.

Senator MONTROYA. I was born in that area, so I know.

Dr. JOHNSON. I have been through it, of course. It is a long way between towns.

Senator MONTROYA. I campaigned in a horse-drawn wagon in that area. That was way back in 1936.

Dr. JOHNSON. There were no paved roads from that area over to our facilities in Shiprock.

Senator MONTROYA. It is almost as bad as Alaska.

Senator STEVENS. No; we use dogsleds, motorized dogsleds.

Senator MONTROYA. Has the checkerboard area in the administration been very successful in the field of Indian health care?

Dr. JOHNSON. We are quite pleased with their performance and their ability to provide health care in an innovative way, their ability to get out into the community and their involvement with the community.

I think the quality of care is quite good. We are quite pleased with their performance over the last few years.

Senator MONTROYA. I certainly want to thank you, Dr. Johnson, for the sympathy that you have shown in this area and the contributions that you have made to make this delivery of health care possible.

I know you have been very sympathetic to it and your agency has been very sympathetic to it.

Dr. JOHNSON. Thank you, Mr. Chairman.

#### REDUCTION OF PERSONNEL

Senator MONTROYA. Dr. Johnson, what about personnel? Your justifications show a reduction of 30 positions. That is bad enough, but even that is misleading. It appears you have taken a sizable reduction in positions for the current year as well.

What is the actual reduction from the level we funded for the current year, the current fiscal year?

Dr. JOHNSON. The appropriated level for fiscal year 1976 was 8,500. The budget that has been submitted identifies the revision—some 639 positions, down to 7,861.

In addition, there is another 30-position reduction proposed for 1977. The total, then, is 669.

Senator MONTROYA. So how much would we have to appropriate to maintain the positions that you have on board at the present time?

Dr. JOHNSON. The funding was not reduced in the budget, only the positions. So there is no additional need for money.

Senator MONTROYA. Where was this reduction effectuated? In the field? In hospitals and what have you?

Dr. JOHNSON. We would take it throughout the entire program. I have stated in the 1977 budget document that we cannot assign these positions reductions from headquarters, this is something that will have to be negotiated with each area, with each reservation medical facility.

I do not think we could realistically make reductions of this magnitude. I think we are talking about a reduction of 7½ percent.

Senator MONTROYA. Are you understaffed in the field at the present time?

Dr. JOHNSON. Yes, sir.

#### ADDITIONAL STAFF REQUIREMENTS

Senator MONTROYA. Why? How much more staffing would you need in the field? How much do you have need for at the present time?

Dr. JOHNSON. Let us just say patient care, this will be the care provided in hospitals. We are talking about over 1,900 positions just to bring the hospitals up to a reasonable shape.

Senator MONTROYA. How many of these additions operate in that category?

Dr. JOHNSON. Most of them would be in this category.

Senator MONTROYA. What is the actual reduction on the basis of average paid employment?

Dr. JOHNSON. The reduction would be about from—I would say we would run about a 3-percent lapse.

Senator MONTROYA. In the reduction of positions, was this an OMB-imposed reduction?

Dr. JOHNSON. I do not know at what level it was ordered. Perhaps Mr. Forbush can explain that.

Mr. FORBUSH. It was a limitation with the total number of employees and positions. It was spread through the health service program. The point of reference was the actual on-duty staff as of September 30. There was no proposal to make a reduction of positions below actual employment.

There was no kind of dismissal or termination of employees.

Senator MONTROYA. You only had these people on board?

Mr. FORBUSH. They were not on board. This was a reduction of vacancies.

Senator MONTROYA. But you had a certain level on board?

Mr. FORBUSH. Yes.

Senator MONTROYA. You want to maintain just that level?

Mr. FORBUSH. That is right.

Senator MONTROYA. Why did you have such a level, Dr. Johnson? Why had you not filled the remaining positions?

Dr. JOHNSON. First, there are several categories of positions we are dealing with here. One group of some 184 positions of this group are positions that were identified for new facilities to be opened.

For example, the Zuni Hospital had additional positions authorized. We programed the budget to bring those positions on in relation to the time that we expected the facility to be opened.

In other words, we would not have budgeted for it. We would not want to have on board the staff for, say, the Zuni or the Mississippi Choctaw Hospital in July or September if they were not going to be opened until as Zuni was in February, or when the Choctaw would be in March.

So those are vacancies which are programed to be vacant until late in the fiscal year, depending on when the construction is completed.

Senator MONTROYA. How many positions were those?

Dr. JOHNSON. 184. That was for a whole series. Zuni and Tohatchie, N. Mex., Owyhee, Nev., Riverside, Calif., Lame Deer, Mont., and Philadelphia, Miss.—all of those that we have under construction were programed to have staff come on board upon completion of construction.

Senator MONTROYA. What about the remainder?

Dr. JOHNSON. Of the next group there were 208 positions which were added by the Congress in the 1976 budget; 188 were general program activity for programs like ambulatory care and so forth.

The committee specifically added these last year plus 20 positions that were added for the Miami, Okla., clinic. We would not have had access to these positions, since the appropriation was not signed until the end of the calendar year 1975, in January 1976, really.

So, again, in September we would not have been able to put these on, because we did not have a valid appropriation nor do we have one at the moment because of the proposed rescission of these positions which has not been formally taken care of.

So now we are talking about 400 of those positions that really could not have been expected to be on board in September under any circumstances.

Senator MONTROYA. They were funded on a full-year basis; were they?

Dr. JOHNSON. Some were and some were not. Again, it depends on the particular facility and the particular program as it was presented. Then you have the other group, the last remaining group of vacancies that will vary throughout the year.

As you know, you have recruiting problems. You have retention problems. Physicians come on at certain times of the year.

A number of things like that. As I said, we normally run about a 3-percent lapse overall in the program, and right now, of course, on duty is something over 8,000.

In September it was less. The recruiting builds up during the year.

Senator MONTROYA. Does your continuing budget take into consideration the 2-percent absent for one reason or another?

Dr. JOHNSON. Yes. Normally what you will find during the year is that most of these full-time permanent vacancies are actually filled

by temporaries. For example, if short of a nurse, we will put a nurse's aide in that job until a nurse can be recruited. There may be a full-time position vacant, but it will be filled, and the money, of course, will be used to put a part-time individual in that job, until we get a full time.

#### EFFECT OF PERSONNEL CUTBACKS

Senator MONTROYA. Do you have to go through this OMB-proposed reduction? What would it do to your field services?

Dr. JOHNSON. Whenever you have personnel restrictions you have to begin cutting back. The first thing that goes, unfortunately, is your field and preventive services, because the workload at the clinics and the hospitals—it arrives at the door.

People come and they are sick. They need help. You must serve them. If you have a short staff you tend to deal with those emergencies.

You fall back into this acute episodic kind of medical care, which in the end, I think, is not cost effective. It is very disturbing to the staff, because you cannot turn down a sick person who arrives at the doorstep.

Preventive programs will begin to slide. Of course we all know the outcome, after a couple of years of that. We build up another backlog of unmet needs, and unnecessary diseases.

#### INCIDENCE OF VENEREAL DISEASES

Senator MONTROYA. I notice you have quite an incidence of syphilis among the Indians, more than among the rest of the population, and also tuberculosis and alcoholism. Do you have enough funding to take care of any preventive action?

Dr. JOHNSON. Of course, we do carry out a good bit of preventive action. I would like to clarify the venereal disease for you, Mr. Chairman.

I think that is sometimes misleading when we look at Indian health statistics against the national level. We know, in the general population, the best studies that were done show that only 11 to 17 percent of the venereal disease in this country is actually reported.

In the Indian Health Service, of course, it is much higher than that. It is almost totally reported. So I think what appears to be an excessive rate in the Indian population is, in fact, an artifact of the completeness of reporting of the Indian Health Service versus the incomplete reporting in the general population.

That is a public health phenomenon that is well known—under reporting those kinds of diseases in the general population.

#### PROGRESS TOWARD OVERCOMING OTITIS MEDIA

Senator STEVENS. May I interject here?

Senator MONTROYA. Certainly.

Senator STEVENS. I looked at the charts you provided. I was a little disturbed at this otitis media chart. I thought we had made a substantial dent in the otitis media situation—this shows an ever-increasing incidence.

Is that again a product of greater reporting? Is that what you were telling us?

Dr. JOHNSON. I think, Senator Stevens, the initial trend line up is clearly a reflection of the otitis media program. In other words, we have gone out—screened people, and treated them if they had a disease.

Up until 1972 that was an indication of increased program activity. From 1972, we began to see a reduction. We thought that was a real break in the curve, and going in the right direction. In 1975 it has gone up a bit.

It is hard to know whether that is a 1-year aberration in the trend or whether this means that it is moving up again. It is tough in using relatively small numbers to deal with a 1-year kind of a statistic.

We really need to see about 3 years to identify the trend. Now there are some things we can say about it that we do know for sure. Let us take Alaska as a specific example, because there is where we had our original otitis media program. That is the one we have had for the longest period of time. We have been able to reduce the incidence of this from rates of 17 to 25 percent in villages down to rates of 3 percent or less.

And consistently—3 percent, of course, is still considerably higher than nationally reported incidences of about 1 percent. It is about the same as you would find in many of the other disadvantaged population groups in the rest of the country.

Senator STEVENS. Where do you find this increase, then? If it is not Alaska, where is the otitis media increase?

Dr. JOHNSON. The increase is primarily in the Southwest. Here we are for the first time beginning to get full programs underway. We will be able to with the present budget that we now have available to us in 1976 deal with putting the Alaska type of project in place in several of the other areas that now have high incidences.

It is not an easy project to deal with, because you know there is no prevention for otitis media. It will occur. There is no way to isolate the patient from upper respiratory infection. What we can do, and it is very clearly demonstrated in the program in Alaska, by early detection and treatment, reduce the acute disease going on into chronic disease.

It is the chronic disease that is the crippler. The chronic disease is the one that is potentially life threatening. We can bring that down. We have very dramatically brought that down in Alaska, by having this kind of program. It is our intention to move very aggressively in the rest of the country with the same type of program.

Senator STEVENS. Thank you, Mr. Chairman.

Senator MONTOYA. The charts that were submitted from 1 to 20 will be made a part of the record at this point.

[The charts follow:]

# PROGRAM ACCOMPLISHMENTS

Health Improvements      CY 1955 - 1974      Percent Decrease

## Death Rates

Infants	70
Under 28 days	59
28 days - 11 months	77
Maternal	80
Influenza & Pneumonia	67
Certain Diseases of Early Infancy	69
Tuberculosis, All Forms	86
Gastroenteritis, etc.	83
Congenital Malformations	55

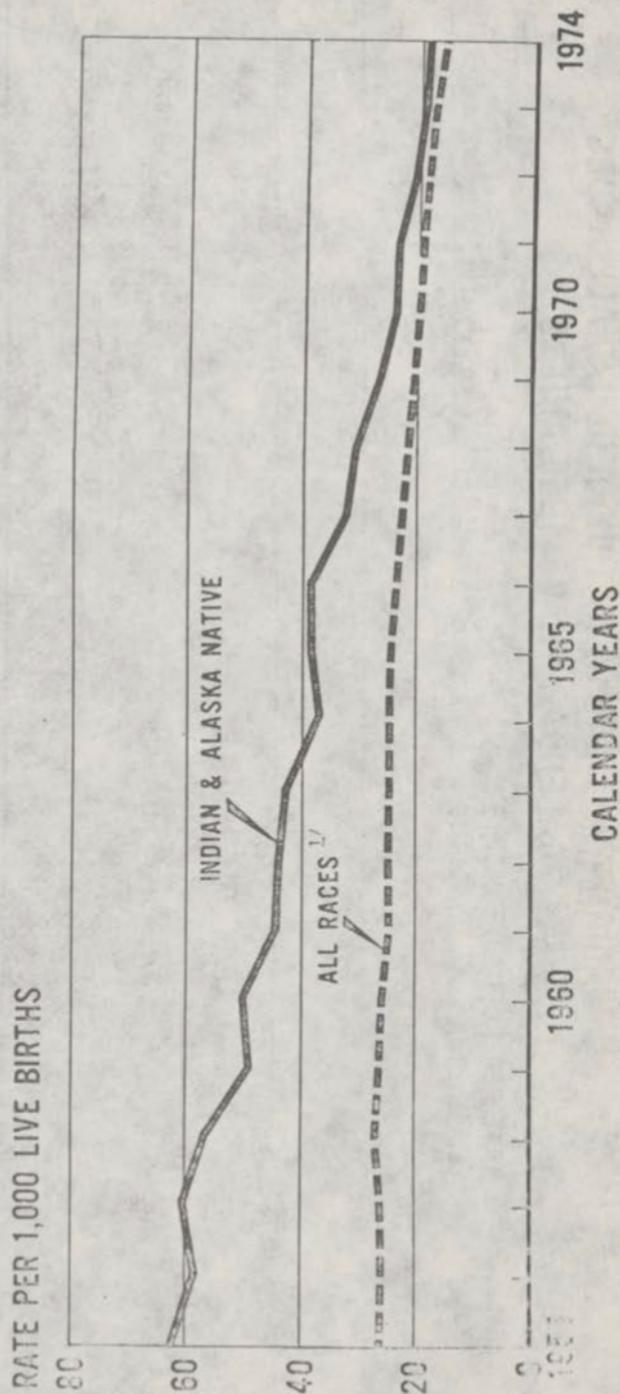
## Incidence Rates

New Active Tuberculosis Cases	69
Trachoma	77

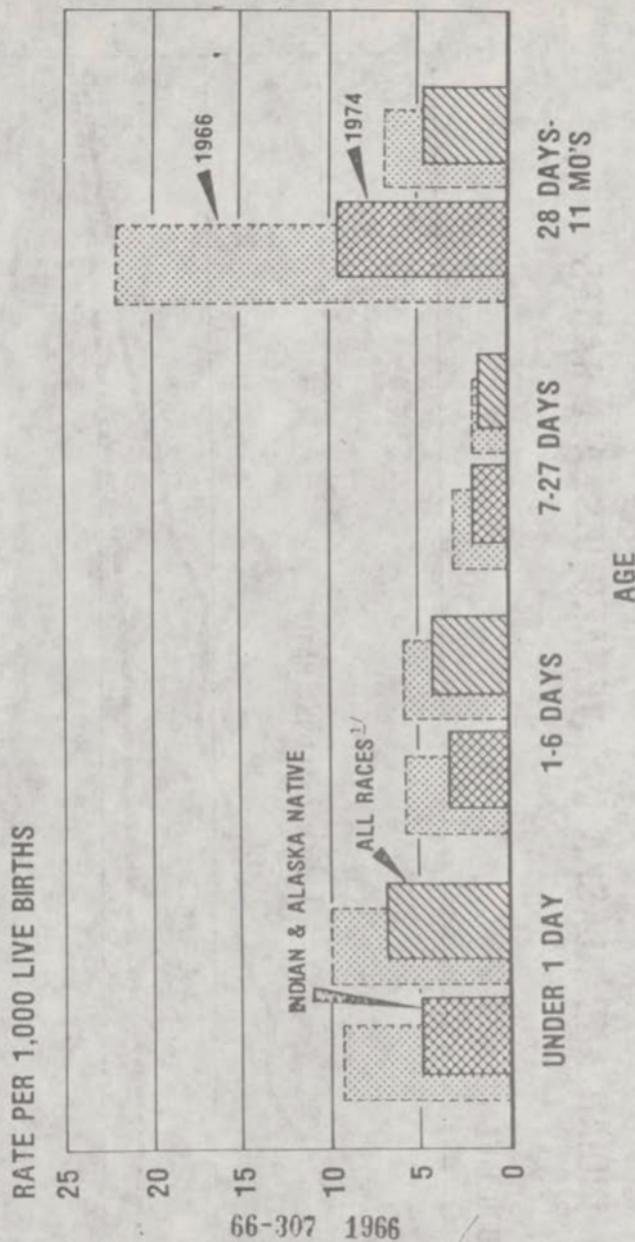
Increased Use of Services      FY 1955 - 1975      Percent Increase

Hospital Admissions	111
Outpatient Visits	450
Dental Services	426

# INFANT DEATH RATES INDIAN AND ALASKA NATIVE, AND U.S. ALL RACES

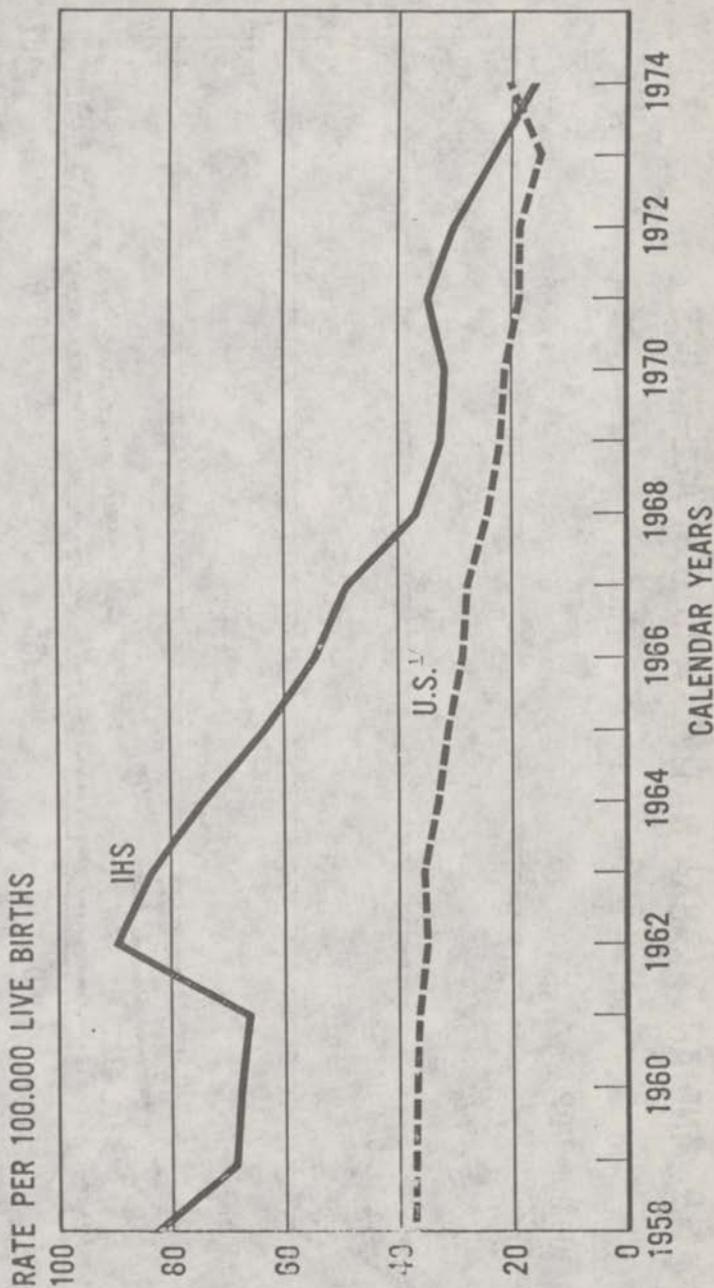


**INFANT DEATH RATES BY AGE AT DEATH  
INDIAN AND ALASKA NATIVE, AND U.S. ALL RACES  
CALENDAR YEARS 1966 AND 1974**



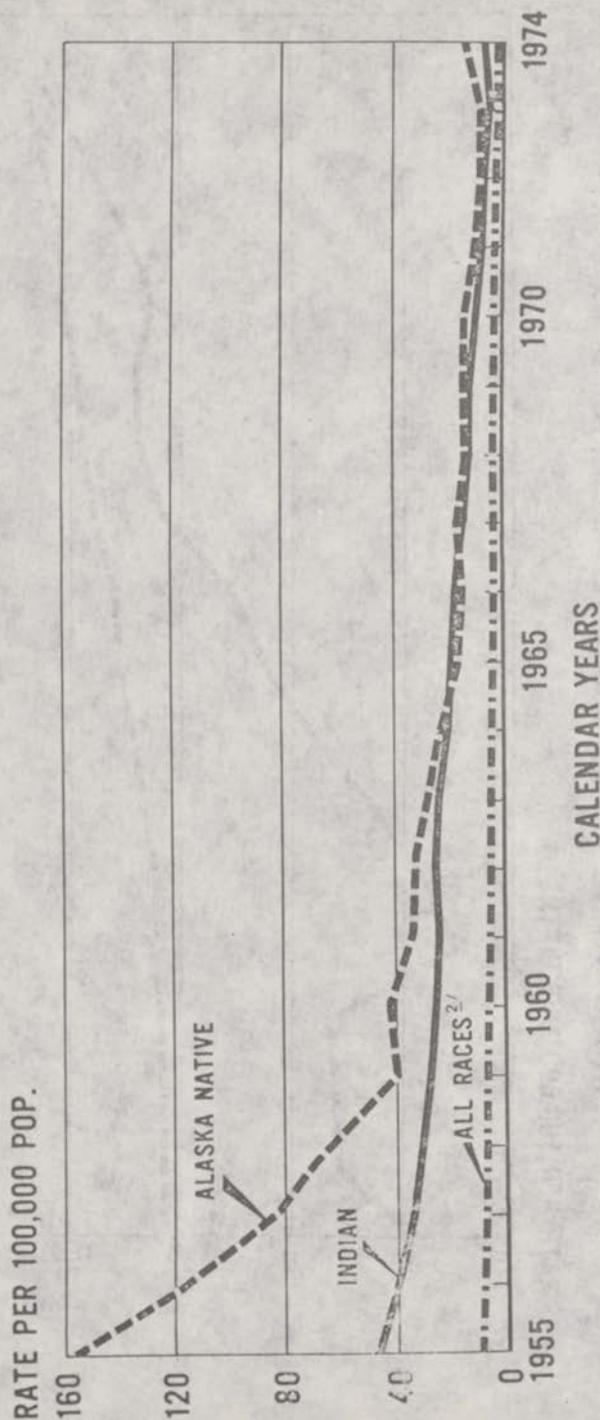
1/ ALL RACES RATES ARE ESTIMATED EXCEPT 28 DAYS - 11 MONTHS WHICH IS PROVISIONAL. MONTHLY VITAL STATISTICS REPORT, NCHS, VOL. 23 NO. 13

# MATERNAL DEATH RATES INDIANS AND ALASKA NATIVES COMPARED TO U.S.



# TUBERCULOSIS DEATH RATES

## INDIAN, ALASKA NATIVE,<sup>1/</sup> AND U.S. ALL RACES

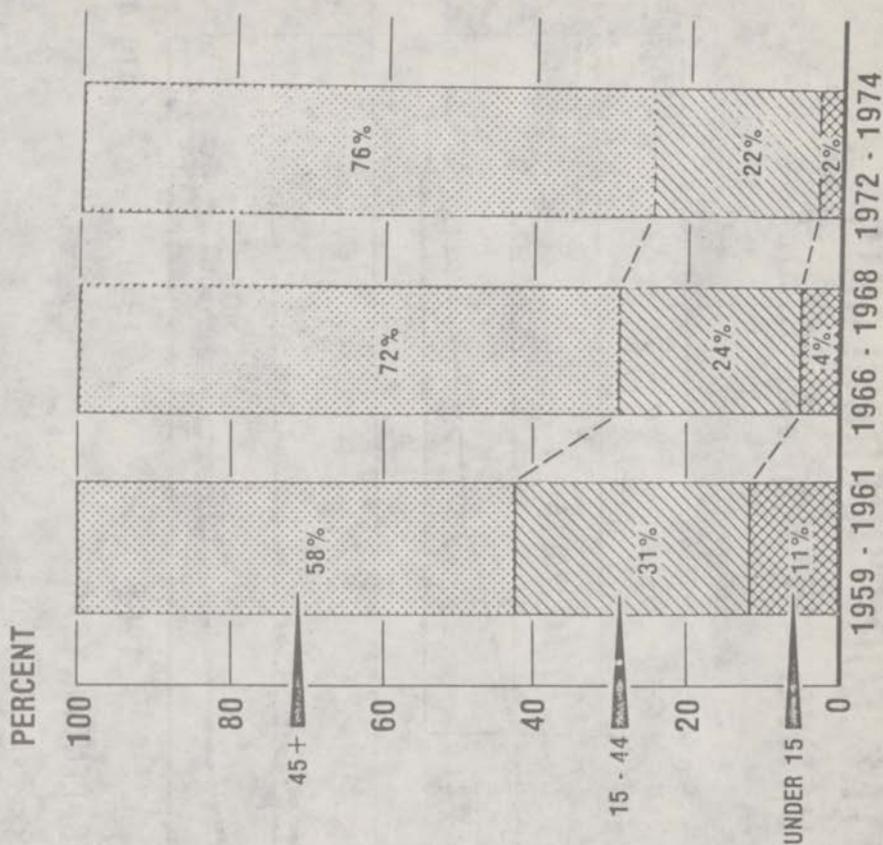


1/ INDIAN AND ALASKA NATIVE RATES ARE BASED ON 3-YEAR MOVING AVERAGE THRU 1973. ALL OTHER RATES ARE BASED ON SINGLE YEAR DATA.

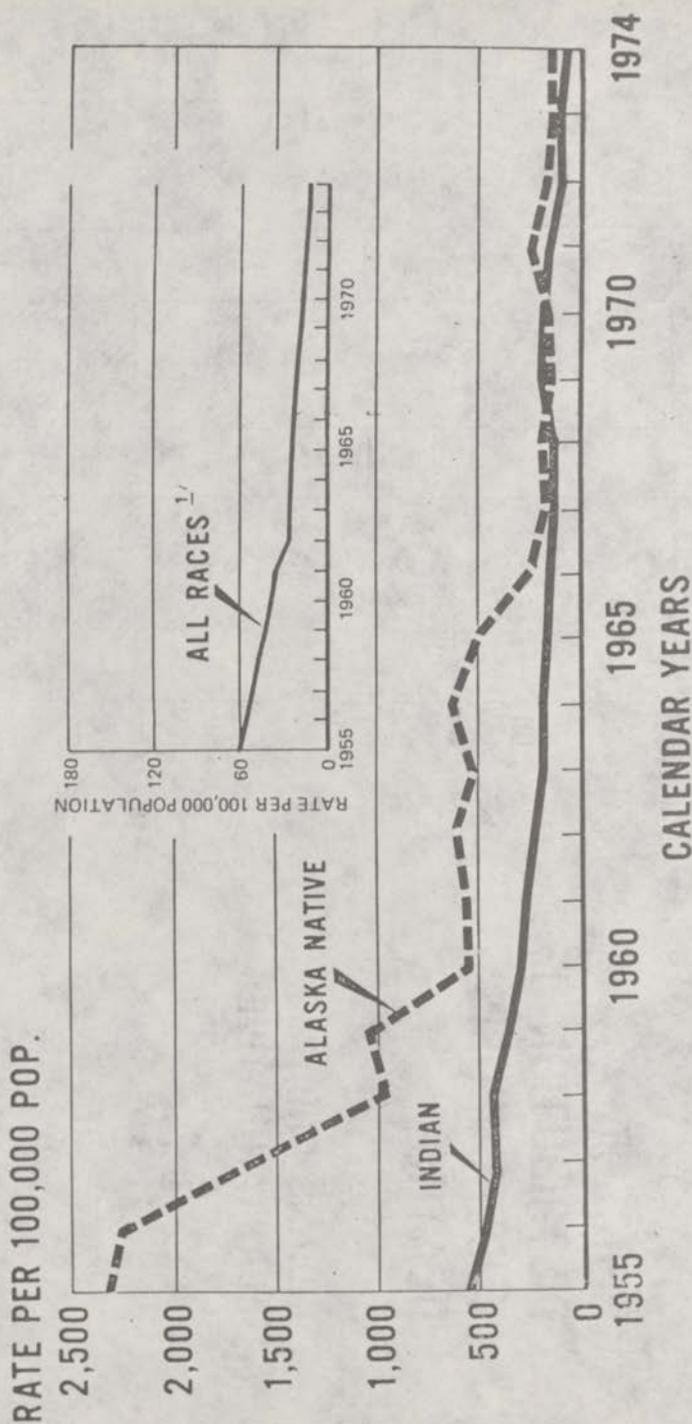
2/ PROVISIONAL MONTHLY VITAL STATISTICS REPORT, NCHS VOL. 23 NO. 13, 1974

**PERCENT  
DISTRIBUTION OF  
TUBERCULOSIS  
DEATHS**

**INDIANS AND  
ALASKAN NATIVES  
BY AGE,  
1959 - 1974**

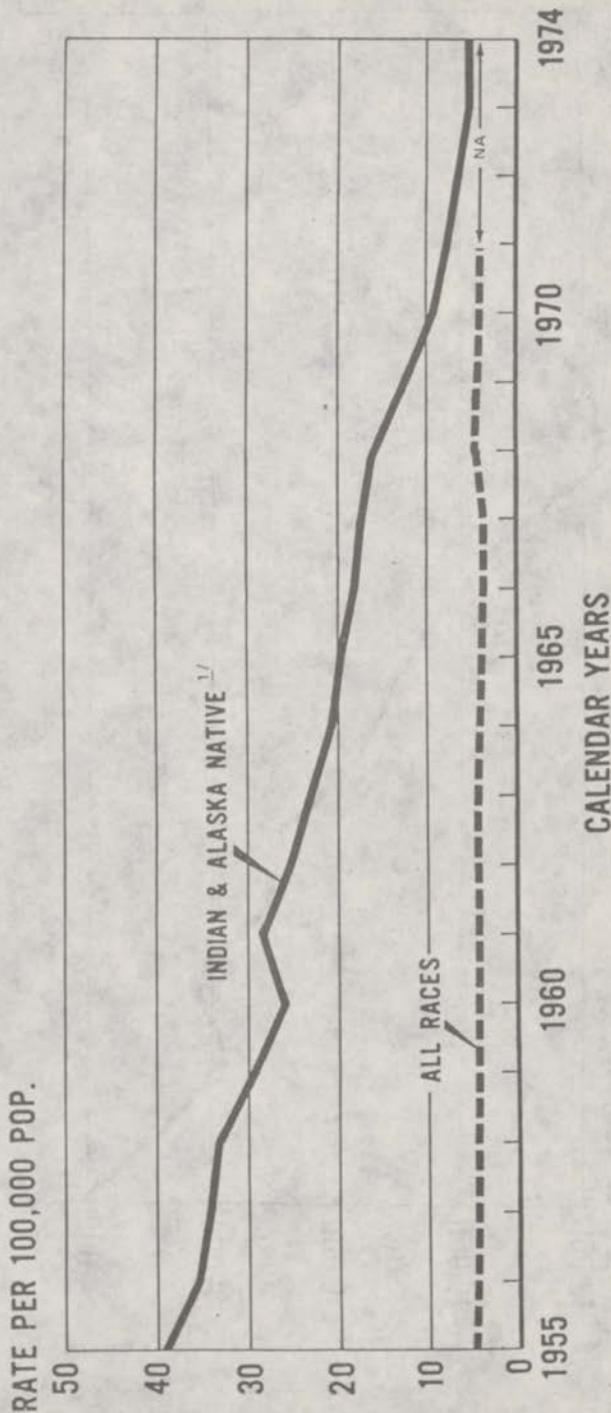


# INCIDENCE RATES FOR TUBERCULOSIS INDIAN, ALASKA NATIVE, AND U.S. ALL RACES



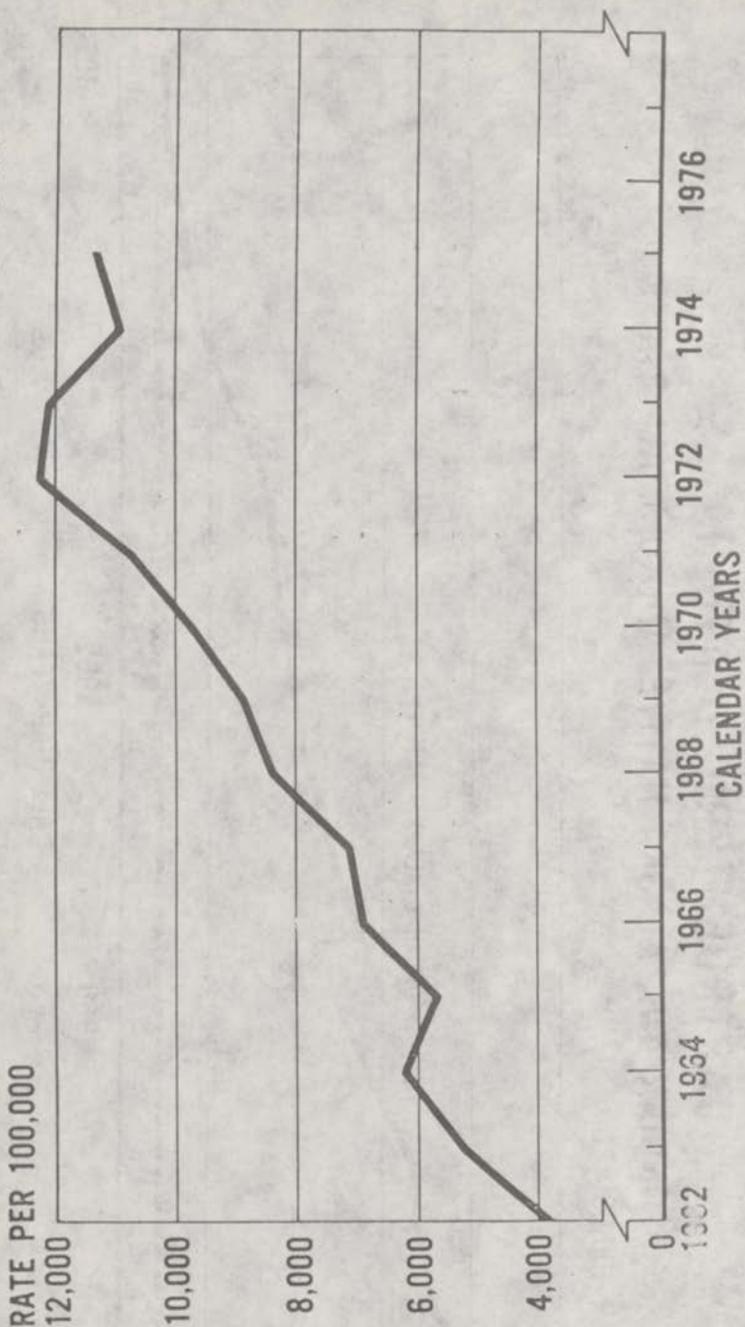
<sup>1/</sup> PROVISIONAL, MORBIDITY AND MORTALITY, CDC, VOL. 23 NO. 53, 1974

# GASTROENTERIC DEATH RATES INDIAN AND ALASKA NATIVE, AND U.S. ALL RACES



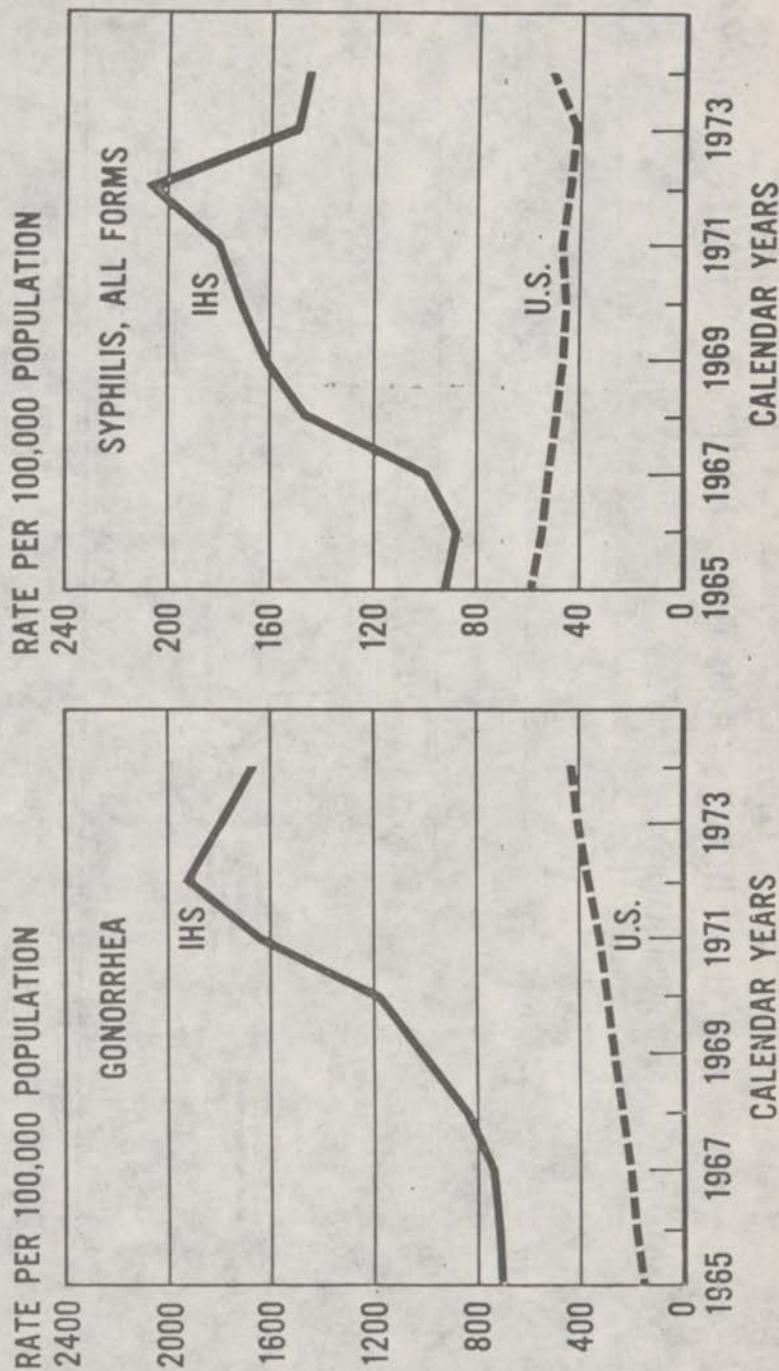
<sup>1/</sup> INDIAN AND ALASKA NATIVE RATES BASED ON 3 YEAR MOVING AVERAGE THRU 1973. ALL OTHER RATES BASED ON SINGLE YEAR DATA.  
NA NOT AVAILABLE

# INCIDENCE RATES<sup>1</sup> FOR OTITIS MEDIA INDIANS AND ALASKA NATIVES IN RESERVATION STATES



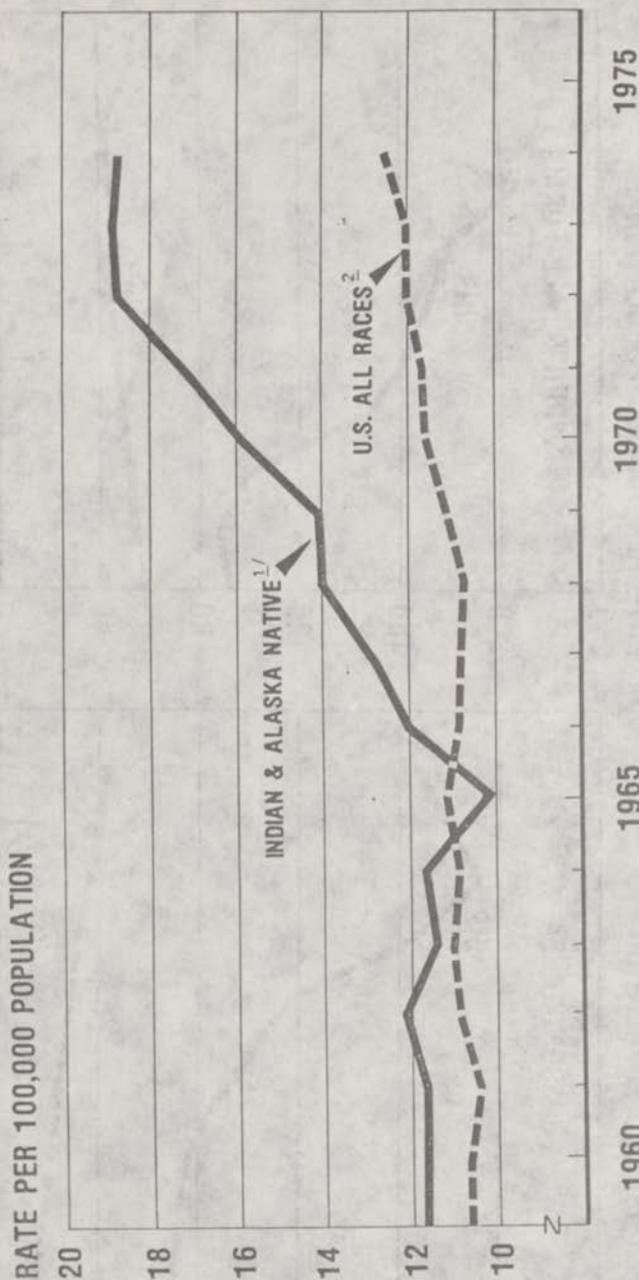
<sup>1</sup> 1975 RATE IS PROVISIONAL

# INCIDENCE RATES FOR VENEREAL DISEASES INDIANS AND ALASKA NATIVES COMPARED TO U.S. ALL RACES



# SUICIDE DEATH RATES

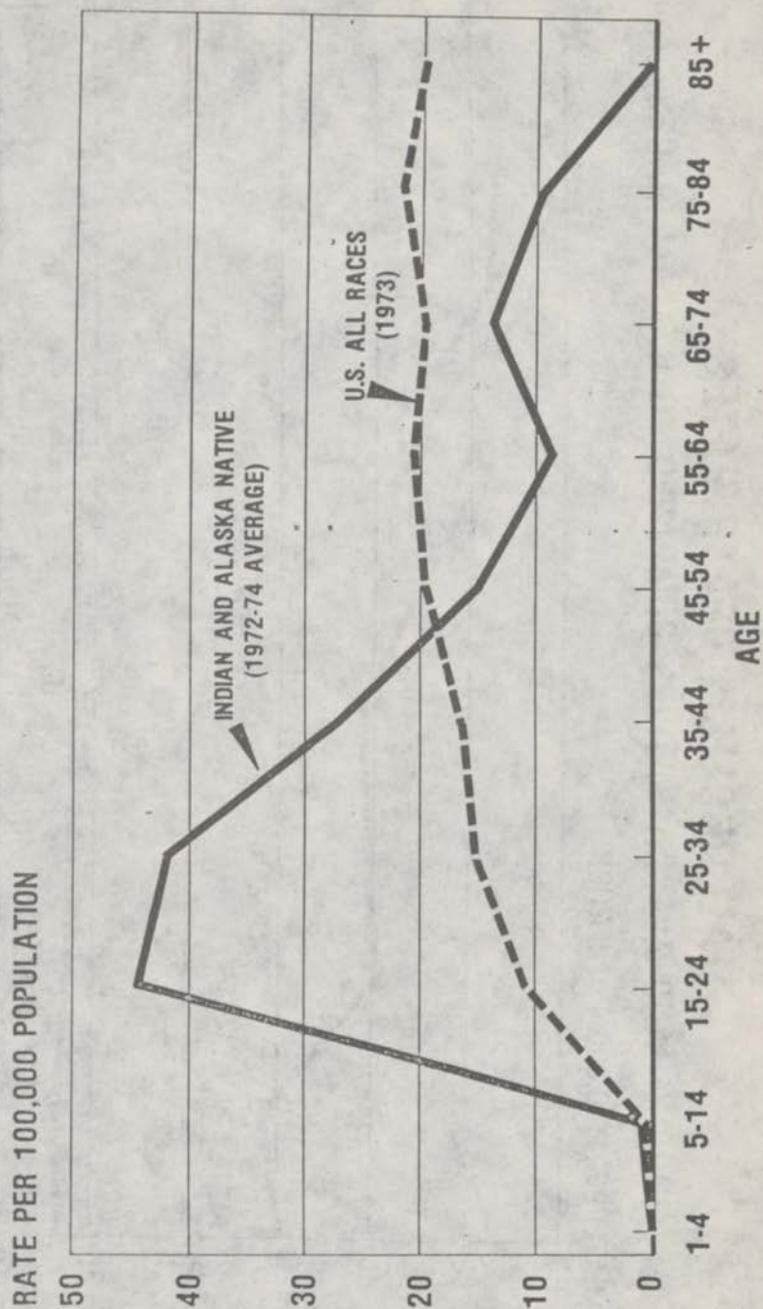
## INDIAN AND ALASKA NATIVE, AND U.S. ALL RACES



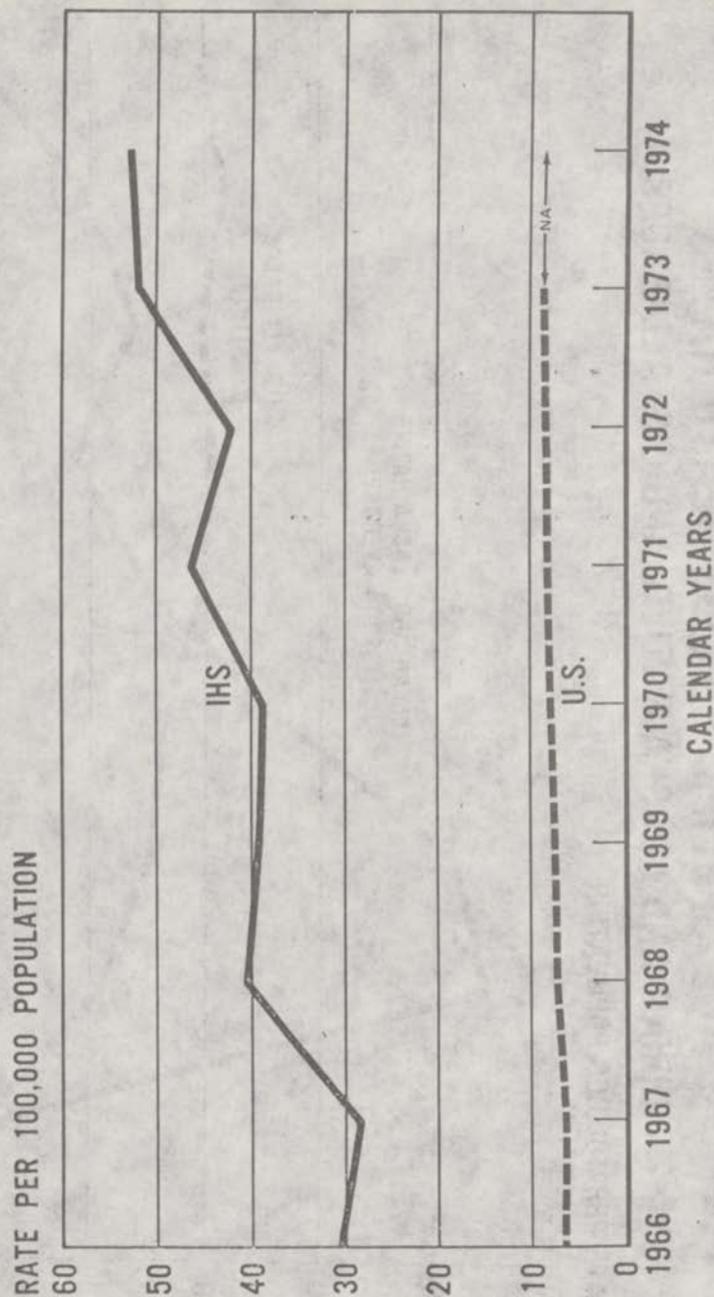
1/ INDIAN AND ALASKA NATIVE RATES ARE BASED ON 3-YEAR MOVING AVERAGE THRU 1973. ALL OTHER RATES ARE BASED ON SINGLE YEAR DATA.

2/ PROVISIONAL MONTHLY VITAL STATISTICS REPORT, NCHS VOL. 23, NO. 13, 1974

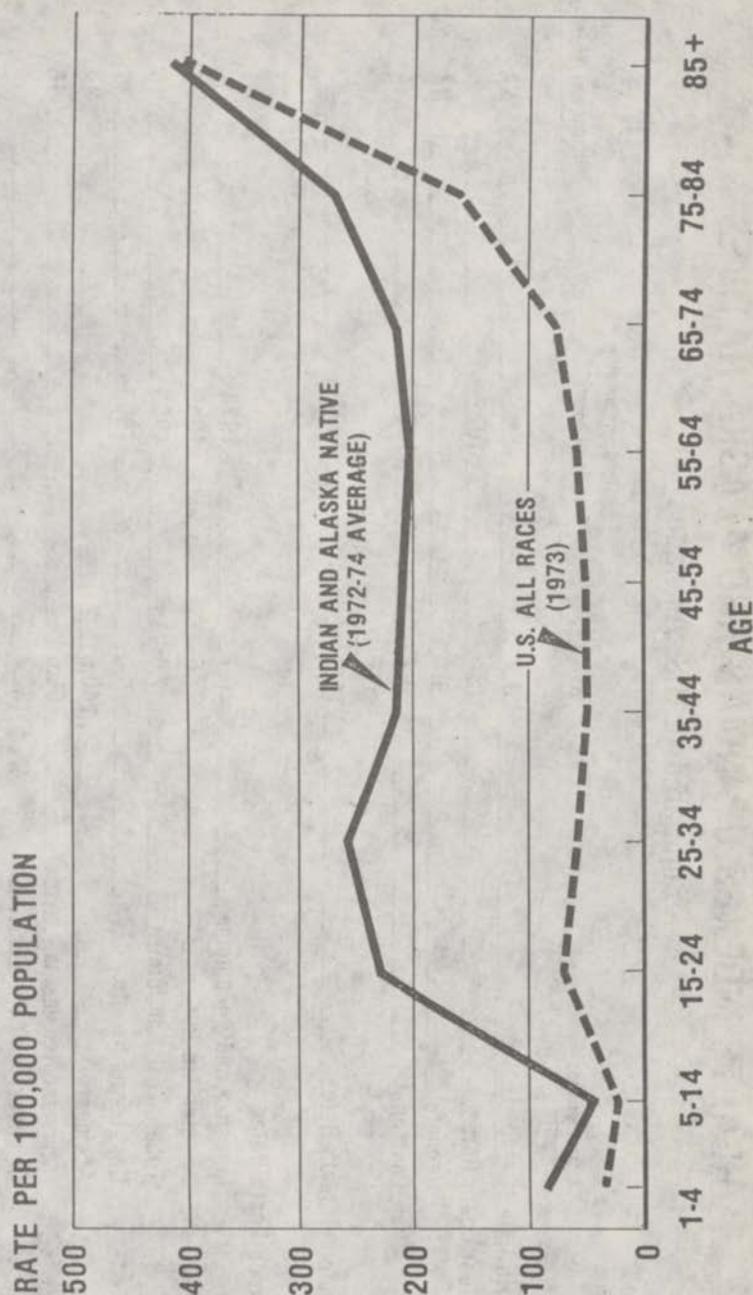
# AGE SPECIFIC SUICIDE DEATH RATES INDIAN AND ALASKA NATIVE, AND U.S. ALL RACES



# ALCOHOLISM DEATH RATES INDIANS AND ALASKA NATIVES COMPARED TO U.S. ALL RACES



# AGE SPECIFIC ACCIDENT DEATH RATES INDIAN AND ALASKA NATIVE, AND U.S. ALL RACES



# HEALTH INDEXES OF INDIAN AND ALASKA NATIVES

Compared to U.S. All Races

Characteristics	IHS	Year in which U.S. Rate Approximates		Difference in Years
		1974 IHS Rate	1974 IHS Rate	
Birth Rate	30.8	*	NA	NA
Infant Death Rate	18.7	1972	2	2
Neonatal	9.4	**	NA	NA
Postneonatal	9.3	1950	24	24
Maternal Death Rate	16.5	1973	1	1
Crude Death Rates				
Influenza and Pneumonia	29.7	1973	1	1
Diabetes Mellitus	17.6	1949	25	25
Tuberculosis, all forms	7.5	1958	16	16
Gastroenteritis, etc.	6.6	1949	25	25
Accidents	140.5	*	NA	NA
Malignant Neoplasms	66.6	**	NA	NA
Diseases of Heart	133.4	**	NA	NA
Cerebrovascular Disease	41.0	**	NA	NA
Cirrhosis of Liver	46.2	*	NA	NA

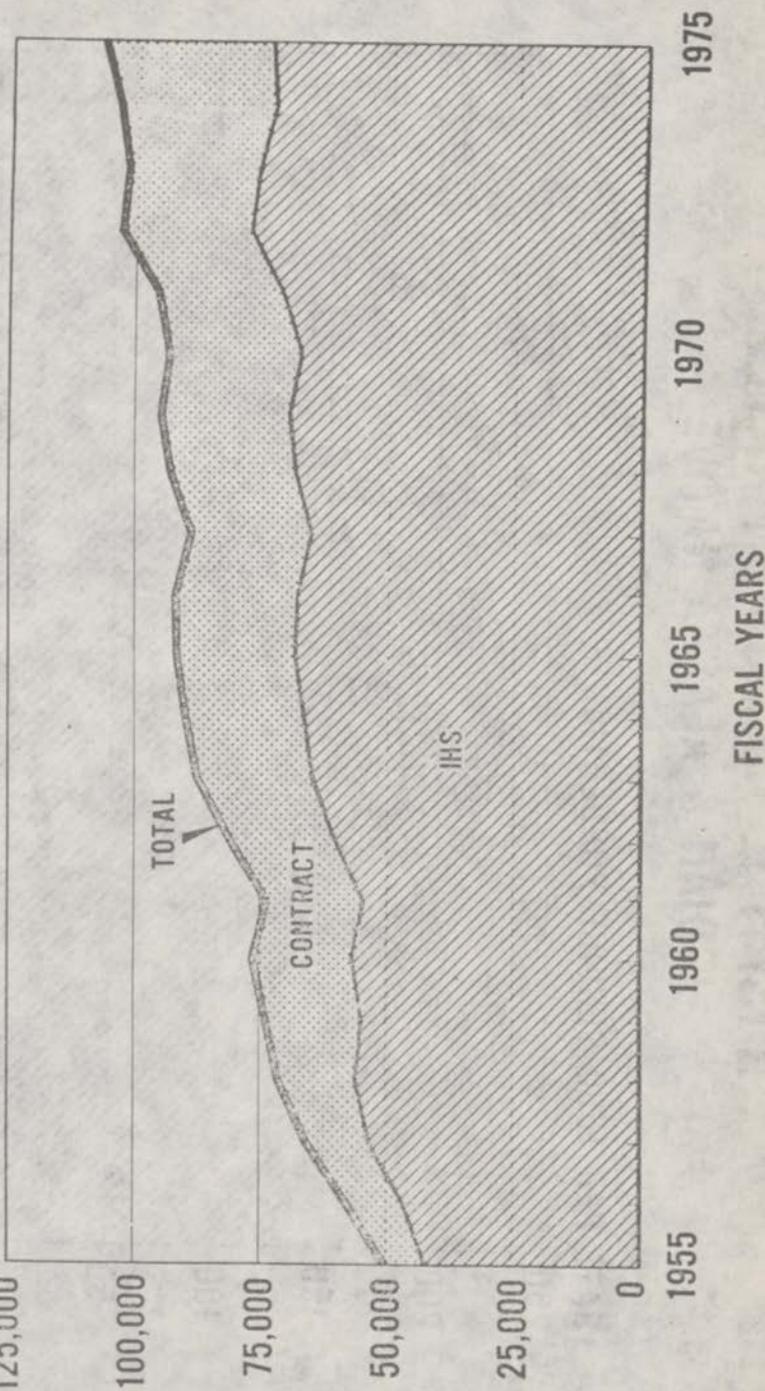
\*NO U.S. RATE ON RECORD IS AS LOW

\*\*NO U.S. RATE ON RECORD AS HIGH

NA NOT APPLICABLE

# NUMBER OF INDIAN AND ALASKA NATIVE ADMISSIONS TO I H S AND CONTRACT HOSPITALS

NUMBER  
125,000



1955

1960

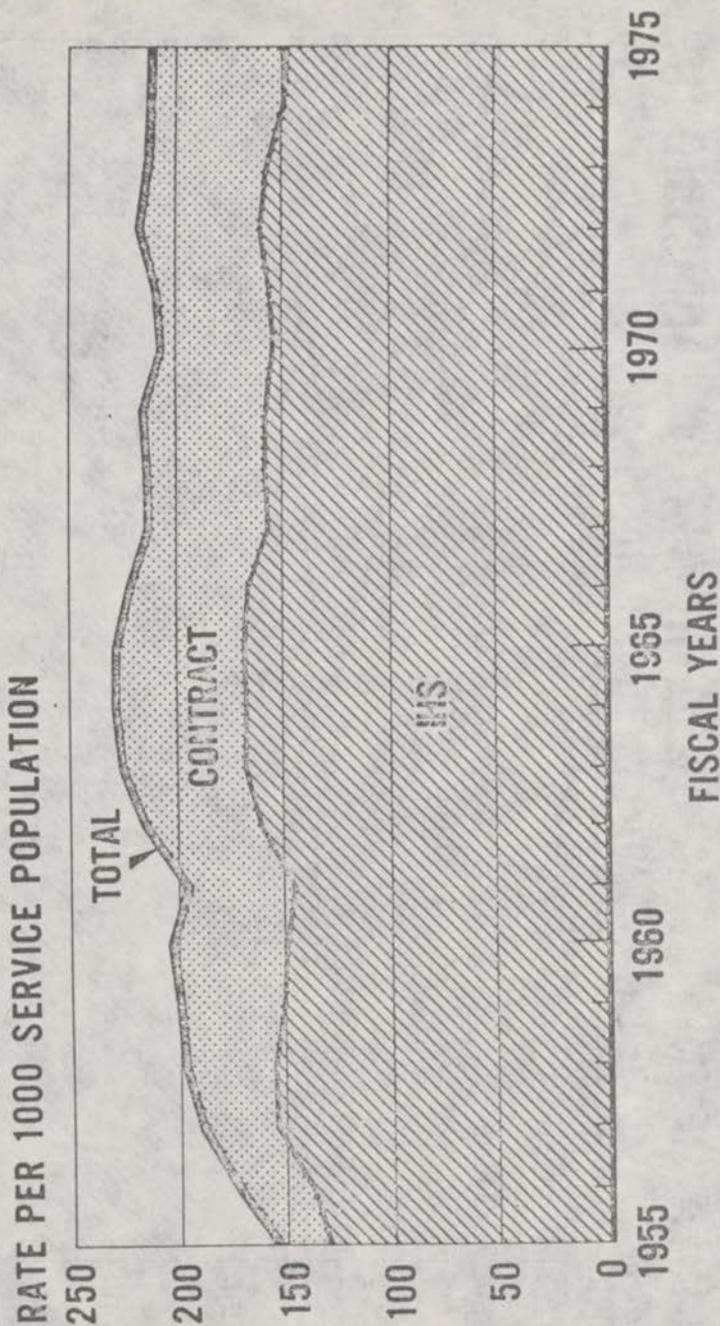
1965

1970

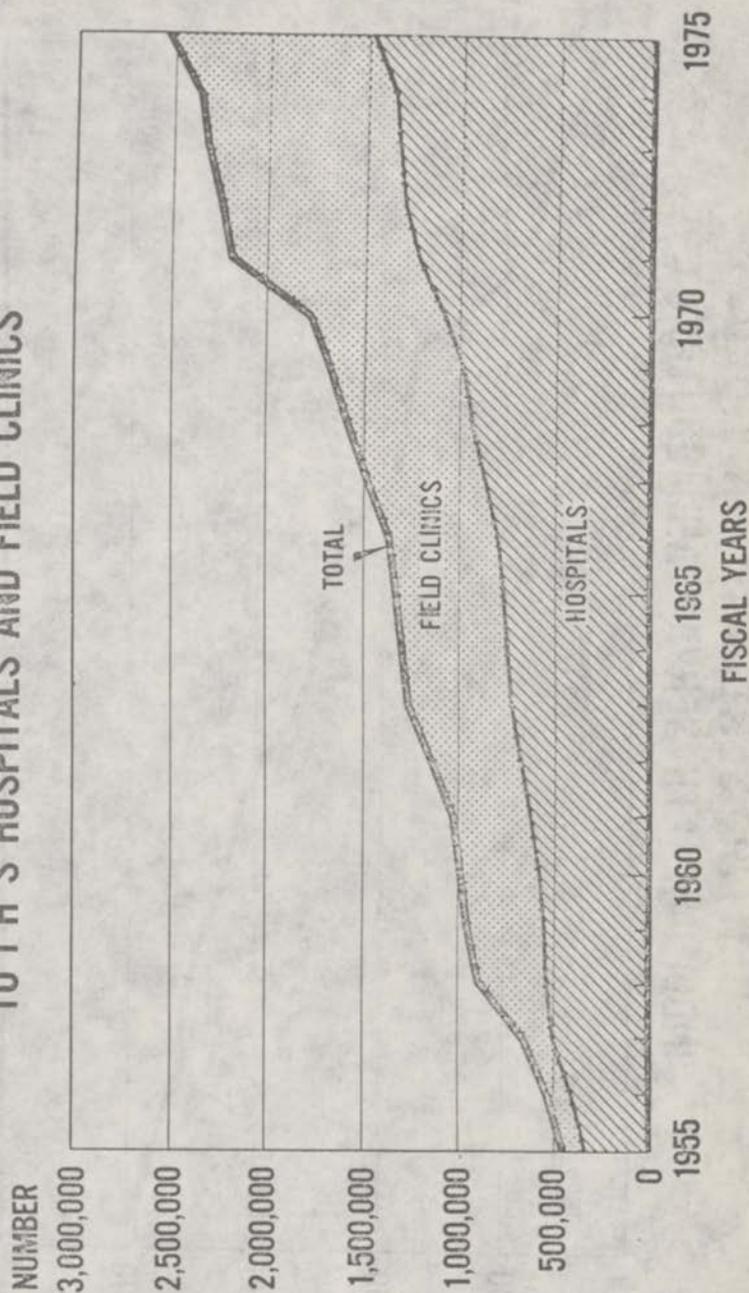
1975

FISCAL YEARS

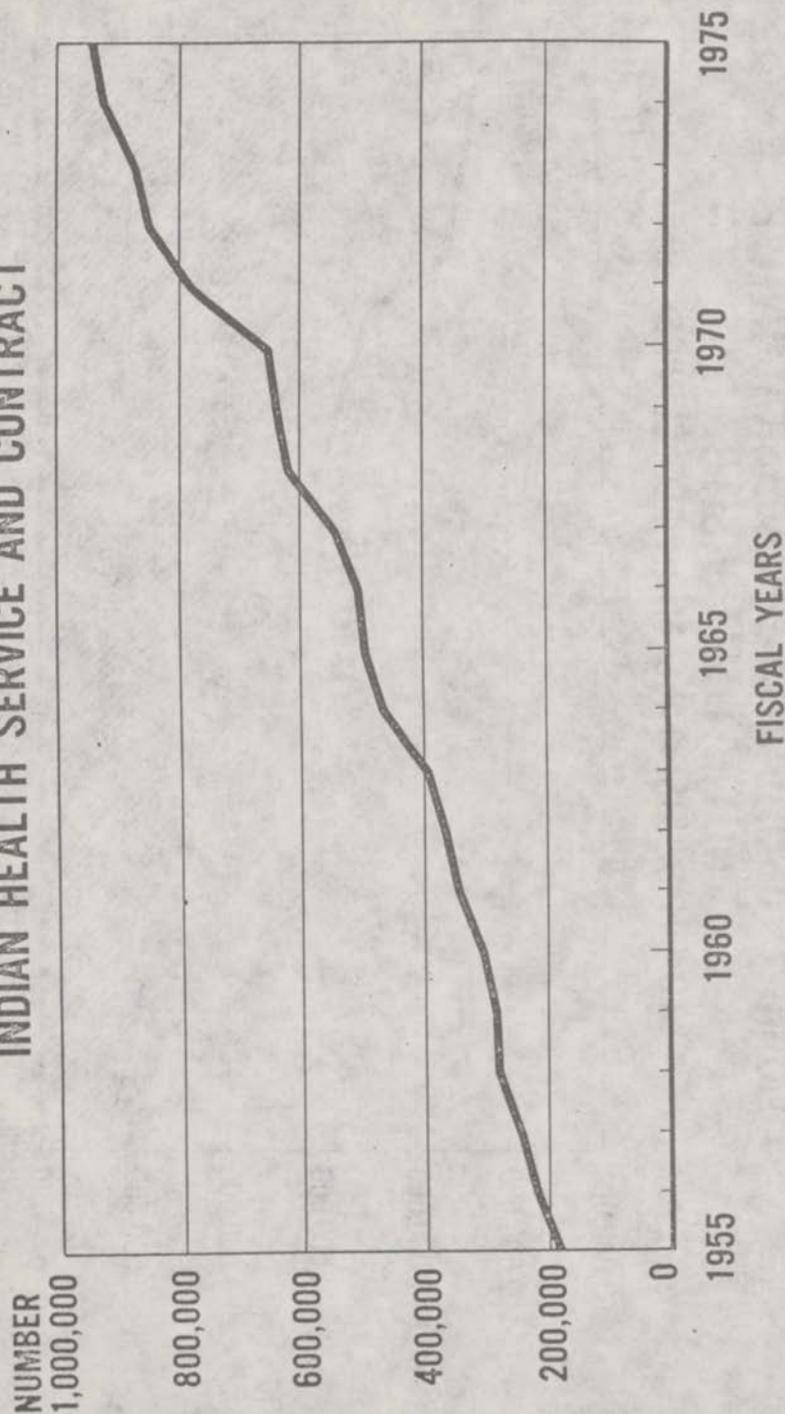
# HOSPITAL ADMISSION RATES INDIAN & ALASKA NATIVE



# NUMBER OF INDIAN AND ALASKA NATIVE OUTPATIENT VISITS TO I H S HOSPITALS AND FIELD CLINICS

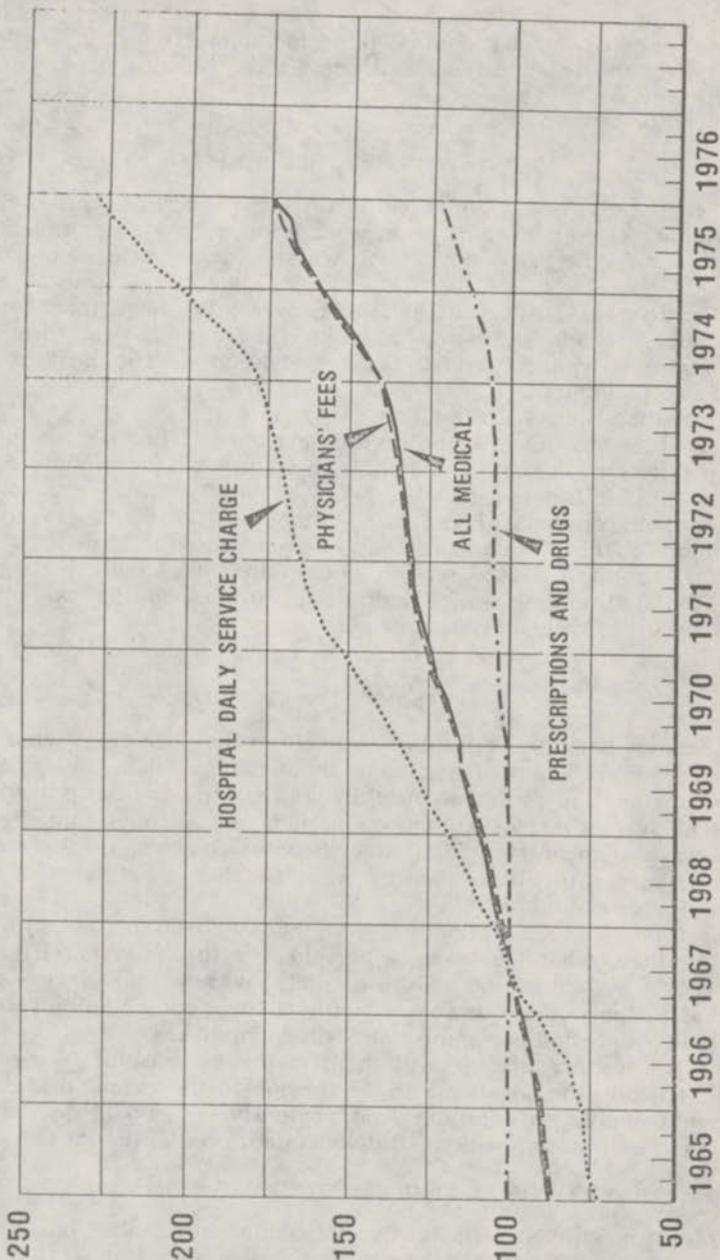


# DENTAL SERVICES PROVIDED INDIAN HEALTH SERVICE AND CONTRACT



# MEDICAL CARE COST

CONSUMER PRICE INDEX, 1967=100



SOURCE: CONSUMER PRICE INDEX  
BUREAU OF LABOR STATISTICS

Senator STEVENS. Mr. Chairman, I am going to have to go to meet some people who are coming in from another country. Could I ask just a couple of questions and submit the balance of my questions for the record?

Senator MONTROYA. Certainly.

#### STATUS OF BETHEL HOSPITAL

Senator STEVENS. We have a series of questions on the Bethel hospital. At your present pace, what is the estimated completion date for your facility, and how much will the next phase of construction cost?

Dr. JOHNSON. All right, Senator Stevens. We have three additional phases. The one we are in now since the deferral was turned down will permit us this year to begin construction. The next phase will require \$8 million.

Senator STEVENS. \$8 million?

Dr. JOHNSON. That would be the next phase. Then we would require two different phases beyond that, so we are talking of final construction phase in fiscal year 1979.

Senator STEVENS. There is a chart that I have that shows \$15 million for the 1977 requirement. Did you scale that down?

Dr. JOHNSON. Based on the time frame of actually getting access to the first million and a half, it is our feeling that we are going to slip in that second phase.

The \$8 million would be a realistic figure for the next phase.

#### PERSONNEL LIMITATIONS

Senator STEVENS. You have touched on the problem of your personnel. I have a series of questions about that problem, but with regard to personnel, is it affected at all by your contracting out policy?

Dr. JOHNSON. Not at this point, it is not. I think that if we look down a year or two from now, Senator Stevens, it is going to be very, very difficult to identify what the personnel level of Federal employees should be.

I think we can define for you, and we will be able to for the committee, what the level of personnel is that is required to do the job. But we will not be able to predict, I do not think, very accurately, what proportion of those are going to be Federal employees versus which proportion are going to be tribal employees.

What we are dealing with here is the concept of trying to have enough positions available to do the job to the extent that the tribes should choose to contract. And obviously you would not have need for some of these positions. But we cannot predict that at this point.

#### TRANSFER OF ALCOHOLISM PROGRAMS FROM NIAAA TO IHS

Senator STEVENS. I have a series of questions, also, on alcoholism. I hope you will put those questions and answers in so they are not redundant.

We are going to have a transfer of Indian alcoholism programs from NIAAA to the Indian Health Service. There is a request here for \$12 million to fund contracts currently in place which call for an expenditure of \$16.1 million for this year alone.

Is it the plan to discontinue some of the existing Indian alcoholism programs?

Dr. JOHNSON. No; it is not. I think perhaps Mr. Forbush could respond to that.

Mr. FORBUSH. Senator Stevens, the reason that variance is—it is a mistake in the budget. We thought when we put the budget together and that was finalized in January that the cost of the projects was \$12 million.

It turns out the program has funded, since 1970, five other projects which were not included in that \$12 million. We learned about that only after the President's budget was in print.

Senator STEVENS. Are we going to get a budget change to raise it up to at least the present level?

Mr. FORBUSH. I do not think so. What I would suggest is that the National Institute be asked to continue some of the projects, \$4 million worth of projects for another year, and pick that up in 1978 for the final transfer.

But it is certainly our intention not to discontinue any of the Indian alcoholism projects.

Senator MONTGOMERY. Could you give us a letter to that effect?

Mr. FORBUSH. We will try, sir.

Senator STEVENS. I think we are going to have redundant administrative costs, if you transfer it I am not sure it should be transferred.

Mr. FORBUSH. The reason for the proposal is we have asked Congress to take the alcoholism project program which now exists and merge it with 15 other health programs into a broadly based State bloc grant.

Senator STEVENS. You are going to turn the Indian money over to the States?

Mr. FORBUSH. No. In order not to do that we are proposing to move the Indian alcoholism money into the Indian Health Service, and not make it part of the bloc.

#### URBAN AND RESERVATION ALCOHOLISM PROJECTS

Senator STEVENS. I have a real problem. That is, 52 percent NIAAA money has been for reservation programs and 48 percent for urban Indian programs. The historical policy of the Indian Health Service is not to serve urban Indians.

Who is going to handle the 48 percent of the alcoholism money that is being contracted for care of urban Indians if Indian Health Service takes over this program?

Dr. JOHNSON. We have adequate authority under the Snyder Act to expend appropriated funds for Indians throughout the United States, which would include urban areas. We have, over the last several years, funded a number of urban Indian health projects at the request of this committee.

I see no legal or programmatic problem in dealing with the urban Indian projects, as long as the Congress has told us that they want us to deal with urban Indian issues, whether it be alcoholism or something else, and that the money is available to do it.

## IHS ADMINISTRATION OF ALCOHOLISM PROJECTS

Senator STEVENS. We will see that the report contains such a directive, that it not be discontinued. What about centralization? Will you set up an identifiable unit within Indian Health Services to deal with problems of Indian alcoholism?

Dr. JOHNSON. Yes; we would. I feel that alcoholism is, first of all, a community program. Alcohol control cannot be a program carried on by an outside agency, like the Indian Health Service.

It has to be a community-based program. So it would be my intention to take any alcoholism money that is transferred over, identify it and earmark it specifically for and limited to grants or contracts to Indian community programs.

That would be a separate fund. The same way we have done, Senator Stevens, with urban Indian health funding that you have given to the program.

## UNDERFUNDING OF ALCOHOLISM PROJECTS IN 1977

Senator STEVENS. I would appreciate it if you would give us a statement for the record, showing the contracts in place that you will accept and if NIAAA intends to maintain \$4.1 million into fiscal 1978, which is what I understand you to say.

Mr. FORBUSH. I think that is the only alternative available to us.

Senator STEVENS. I happen to be on that subcommittee, too, and they have cut out the money. There was a reduction, as I understand it, of some \$16-odd million on that one. They are only picking up \$12 million here. The general budget for NIAAA is down also. I do not want to see this drop between the chairs, and I do not think we ought to be forced into a congressional add-on when there has just been literally a mistake in computation of the contracts outstanding.

I would hope you would give us a statement for the record on that. The chairman has asked for a letter. I do not think, with due respect to the chairman, a letter is going to do much good if NIAAA is asked to continue a program with money that it does not have.

Senator MONTROYA. It is almost futile to go down to OMB and ask for a new, revised estimate.

Senator STEVENS. I understand that. But I do not want it to be counted as a congressional add-on when it is a correction of a mathematical mistake.

Senator MONTROYA. How else can we do it?

Senator STEVENS. I think what we could do is to look to the NIAAA money and that is money down.

Mr. FORBUSH. We will explore all the possibilities, including talking with OMB and trying to correct the budget, if that is possible.

Senator STEVENS. I am not being critical, Mr. Chairman, of your suggestion. I think we have to tie it down to the maximum extent possible.

Senator MONTROYA. We can devise a way where we do not have to be charged with the add-on, if possible. I will welcome the suggestion.

[The following letter was subsequently received:]

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE  
OFFICE OF THE SECRETARY  
WASHINGTON, D.C. 20201

MAY 28 1976

The Honorable Joseph M. Montoya  
United States Senate  
Washington, D. C. 20510

Dear Senator Montoya:

This letter is to provide answers to questions you and Senator Stevens raised at the hearing on the 1977 budget for the Indian Health Service regarding the proposal in the President's budget to transfer Indian alcoholism projects from the National Institute of Alcohol Abuse and Alcoholism (NIAAA) to the Indian Health Service (IHS). I am sorry that it has taken us so long to provide you with definitive information. It was indicated at the hearing that the amount requested in the 1977 budget, \$12 million, was insufficient to cover continuation costs. Questions were also raised about related projects to support the training of Indians to be health workers in delivering services to alcoholics.

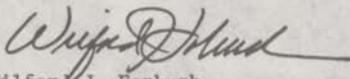
After extensive discussions among the IHS, the NIAAA, the Assistant Secretary for Health, and the Office of the Secretary, the facts have been established as follows:

1. The continuation costs of the 153 Indian alcoholism projects proposed for transfer in the budget are \$15.6 million. A portion of these costs, \$1.8 million, can be financed with unexpended balances from fiscal year 1976 and prior year grants which grantees can apply to 1977 activities. Thus, the net requirement for new appropriations in 1977 is \$13.8 million, \$1.8 million more than is requested in the Indian health budget.
2. While examining NIAAA's projects, it was discovered that five projects classified as aiding poverty areas not proposed for transfer have Indians as their primary beneficiaries. It is our judgment that these projects would be more appropriately administered by IHS rather than NIAAA. The 1977 cost of these 5 projects is \$500,000.
3. There are 10 training grants supported by NIAAA in 1976 which are administered by Indian tribes and organizations. Seven of these projects are scheduled to be

completed at the end of fiscal year 1976. The cost of the three remaining projects in 1977 is \$557,000. The Department believes that these training projects should also be administered by the IHS.

We are currently in contact with the Office of Management and Budget to develop a budget amendment which would make adjustments in the 1977 budget consistent with the information provided above. I hope to be able to advise you on the results of these discussions before you complete the mark up of the 1977 appropriations bill.

Sincerely,



Wilford J. Forbush  
Deputy Assistant Secretary, Budget

## PREVENTION AND TREATMENT OF ALCOHOLISM

Senator STEVENS. I want to charge that add-on for additional money. The real problem, as I see it, of the alcoholism program is—with due regard, and I share the chairman's viewpoint about your dedication—NIAAA has been willing to take some risks in terms of what is alcoholism treatment, and in terms of letting the local people decide what type of program will best combat alcoholism, from a point of view of prevention. I am afraid now, if we get it entirely tied up with Indian Health Service, we are going to be dealing only with treatment and not with prevention.

I would like to have some statement as to how you see your role in continuing the NIAAA program of prevention of alcoholism.

We have had some dramatic changes in areas where literally, Mr. Chairman, they used the money to build a teen-age center, or they used the money to complete a library, where previously there was absolutely no diversion. The impact of it has been greater in future years in terms of the reduction of the problem prior to actual treatment of the disease. I do not know whether I am articulating well enough, but I am fearful that we may be forced back into the old straitjacket of dealing only with alcoholism when we have the actual disease, and not dealing with alcoholism in the Indian area where prevention is really—it could be as dramatic, Dr. Johnson, as your traveling health teams.

You know how dramatic the reduction costs have been associated with prevention. I would hope that somehow or other the alcoholism program is not going to lose that side, as it goes into your Service.

Dr. JOHNSON. I think we could give you some reassurance on that, Senator Stevens. Many of the alcoholism programs in the reservation communities that have been highly innovative and quite effective had their leadership, technical leadership, at least, provided by Indian Health Service staff.

I was just reviewing one the other day. They had sent along a bunch of letters from a local judge and district attorney and all the other folks talking about what a change had taken place in the relationship of these kids to law enforcement agencies, on the basis of this particular alcohol program.

It turns out that the director of that program, the designer of it, was a member of the Indian Health Service staff.

The money to make the thing work came out of an NIAAA grant. We have a number of these, and the technical support of this has been with the Indian Health Service. But I would insist that the management of it be in the hands of the community.

I will be pleased to submit a statement on this, as you requested.

[The statement follows:]

Information requested regarding Reservation and Urban Indian Alcoholism programs to follow:

Background:

Eight years ago the Office of Economic Opportunity began funding a number of alcoholism programs operated by tribes and other Indian groups. This was emphasized by the President's message of July 8, 1970, when he added additional monies from the National Institute of Mental Health to fund Indian alcohol projects. With the passage of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970, the National Institute of Alcohol Abuse and Alcoholism was established to coordinate all Federal activities in the alcohol field, to administer all HEW alcoholism programs and to develop project grants and contracts for the treatment of alcohol programs. Indian Alcohol Programs were established as a priority emphasis in 1972. In June 1972, when the Office of Economic Opportunity funds were no longer available, the support of these projects was assured by the NIAAA. Indian Health Service's key role in Indian advocacy assured the continuation of these projects.

Funding Levels:

The NIAAA is currently supporting in FY 1976, 153 American Indian Programs at an annual operating level of approx. \$16.0 million. Of this number, 52 are Urban programs at a cost of \$4.0 million, and 101 are reservation programs at a cost of \$12.0 million. In addition the NIAAA also supports 13 American Indian Alcoholism Training Programs to train Indian Counselors and Workers in the field of alcoholism at a cost of \$1.8 million. It is important that these grants be considered together with the other Indian Alcohol Programs as they are a necessary accompaniment to successful operation of these programs.

In summary, full funding of Reservation, Urban, and Training Programs requires \$17.8 million.

The IHS has been advised by HEW that there was no intent by the Administration to decrease total dollars to Indian programs and if such appeared to be the case, it was an error and would be remedied when correct figures are made available.

Present Operation Under NIAAA

Alcohol Program Proposals are written up in approved form and submitted to Division of Research Grants, NIAAA, where they are logged in, and duplicated in sufficient copies for review. They are then reviewed by an Indian Advisory Panel of 9 Indian representatives who are selected by the NIAAA and recommended or not recommended for funding. Those that are recommended go to a second review council called the National Alcoholism Advisory Council which consists of 12 professional workers in the field of alcoholism who are nationally recognized, recommended by the Director, NIAAA, and appointed by the Secretary HEW. Those grants that are approved are listed in priority and are signed off by the Director NIAAA, and funded according to available money.

The Indian projects are approved for three years of funding. As of 1975, when the NIAAA budgetary situation was uncertain, the Institute was unsure that it could continue support of the existing American Indian projects already in their third and final year of NIAAA funding. Both the Institute and the Indian Health Service staff felt that continued long-term federal support for the American Indian projects was appropriate and necessary given the lack of other resources the American Indians could draw on.

Subsequently, the Institute's financial picture improved and the Institute was able to announce to the Indian community that an additional three years of support for the Indian projects was possible, subject to each grantee's successfully competing for renewal. Because of the inherent difficulty of planning for budgetary needs three years in advance on the part of the NIAAA, and the uncertainties of their appropriations, NIAAA and IHS both looked at the best means to assure continued funding of these projects. The original intent was to allow NIAAA to support the projects for six years, at the end of which time they would be considered "matured" projects and subsequently transferred to Indian Health Service.

In view of the proposed shift of categorical grants operations to Consolidated State Block Grant revenue sharing by the Administration, and because of the uniqueness of the Federal Government's relationships with the Indians, it was decided by the Administration to retain Indian Alcoholism programs in the Federal Government to assure the continuity of these programs. It was further decided to place these programs in the Indians' own health care agency, the Indian Health Service.

#### Proposed Operation in IHS

##### Administrative Costs:

Present estimated personnel in NIAAA involved with alcoholism Grants Management is 41 at costs of \$574,000 plus \$300,000 for travel for a total of \$874,000. Indian alcoholism grants constitute at least 25% of this activity. Indian Health Service will decentralize the programs to each of its area offices and operate them on a contract basis in similar manner to all other contracts with health service providers. Because of the number and nature of these programs a central coordinating office which is field located together with an alcoholism program coordinator and secretary for each of the 11 IHS designated Area-Sub Area Offices. This costs out to 25 positions and \$420,000 in necessary administrative costs. Break down is as follows:

##### Central Coordinating Office

1	GS 14 Director	\$27,000
1	GS 12 Administrative Assistant	20,000
1	GS 7 Executive Secretary	12,000
	Related cost of travel, supplies, etc.	20,000
	Sub-Total	\$79,000

##### Area Alcoholism Coordinating Officer

11	GS 11 Coordinators	@17,000	\$187,000
11	GS 5 Secretaries	@ 8,925	98,175
	Related cost of travel, supplies, etc.	5,000	55,000
			\$340,175
	Grand Total - 25 Positions	\$420,000	

Each Area will determine the nature of its Alcoholism Program Coordination according to its specific needs, available professional back-up, and together with Input from local representatives of the National Indian Board on Alcoholism and Drug Abuse and from the National Indian Health Board, and from the National Tribal Chaimans Association and other appropriate nationally recognized Indian organization.

Urban Indian Alcohol projects will be related to appropriate Area Offices in the same manner as Reservation projects, insofar as transfer of these monies for Indian alcoholism programs by the Federal Government recognizes and makes provisions for Urban Indian Alcoholism programs as well.

#### Indian Community Preference and involvement regarding transfer.

The National Indian Board on Alcoholism and Drug Abuse, which constitutes a twenty one member board from the ten HEW regions, Alaska, and the Navajo, and who represent a majority of the Indian Alcoholism programs currently funded by the NIAAA, and is as follows: "The NIBADA is amenable to this transfer and views it as a positive move towards the future continuity and development of all Indian Alcoholism Program efforts." NIBADA has communicated with the National Indian Health Board and is invited to the next NIHB meeting to discuss development of mature future roles in overseeing the alcohol program operation in IHS. NIBADA further has full endorsement from the National Congress of American Indians.

## IHS ADMINISTRATION OF ALCOHOLISM PROGRAMS

Senator MONTROYA. Do you feel that the IHS has the expertise to take over this program?

Dr. JOHNSON. Yes; we have considerable experience working with tribal groups on alcoholism programs. However, we would need additional staff.

Senator MONTROYA. The alcoholism program amounts to a major program addition. Why is there no discussion of it in your justification narrative?

Dr. JOHNSON. The justification was minimal. I would be glad to answer any questions.

Senator MONTROYA. Under what authority was this program transferred to you from another agency and another appropriation? Were the Appropriations Committees notified?

Dr. JOHNSON. It has not been transferred. The 1977 budget request before you proposes the transfer from NIAAA to IHS. Congress may approve or disapprove.

Senator MONTROYA. How would you feel about continuing the Indian program through NIAAA and our providing Indian Health Service with some additional funds to supplement the Institute's effort?

Dr. JOHNSON. If NIAAA could assure funding, I would not favor transfer of the program. However, continued funding under NIAAA is very tenuous.

## FUNDS AVAILABLE FOR ALASKA

Senator STEVENS. I have a few more questions.

I understand that the funds will be requested for assistance, in the north and south Yukon area, the Norton Sound, Yukon-Kuskokwim and Mauneluk Health Corporations by AFN, the Alaska Federation of Natives. Does your request here contain any contract money for those three areas, Norton Sound, Yukon-Kuskokwim, and Mauneluk?

Dr. JOHNSON. The budget request before you would provide only for our continuing levels of program.

Senator STEVENS. Which is what level; do you know?

Dr. JOHNSON. I think Dr. Exendine probably has this.

Senator STEVENS. Let us submit for the record the amount that we are requesting. I will ask you to give us your comments on that.

[The information follows:]

The current level of funding follows:

Mauneluk Association.....	\$347,000
Norton Sound Health Corporation.....	1,707,000
Yukon Kuskokwim Health Corporation.....	1,882,000

## PERSONNEL LIMITATIONS

Senator STEVENS. It does seem to me that we are in a transitional phase, as far as personnel. I am disturbed that the personnel ceilings that we raised did not result in increased budgetary impact, as I understood it.

I do not see how you can go into this whole new concept of contracting out, which ultimately is going to reduce personnel levels, unless you are given this personnel ceiling.

Do you have a freeze on ceilings, Mr. Forbush?

Mr. FORBUSH. Only until the rescission runs out. I think it is March 19th when the proposed rescission expires. Then the positions which were in the appropriation will be made available, along with the funds.

Senator STEVENS. I have the same question. The personnel were cut beyond the rescissions.

Mr. FORBUSH. No, the rescission cut below the congressional increase.

Senator STEVENS. We added 188; right?

Mr. FORBUSH. That is right.

Senator STEVENS. You were cut down below the 188.

Mr. FORBUSH. Yes.

Senator STEVENS. But you did not cut dollars at the same time?

Mr. FORBUSH. There are some dollar reductions, too.

Senator STEVENS. For the personnel cut?

Mr. FORBUSH. Yes.

Senator STEVENS. I did not see that. Where was that? What cut was proposed dollarwise, associated with the personnel?

Mr. FORBUSH. No; you are right. I am sorry. The dollars were only the dollars that were added by Congress. The dollars related to the other 400 positions were not reduced.

There is an inconsistency in the budget.

#### AVAILABILITY OF 1977 FUNDS FOR SANITATION FACILITIES

Senator STEVENS. It seems to me there is an inconsistency there. Is there adequate money in your budget to complete the obligation to carry out the Indian Health Service, HUD and BIA joint program on housing for Alaska?

Dr. JOHNSON. I did not follow the question.

Senator STEVENS. There is agreement, as I understand it, and your responsibility is to provide safe water and sanitary facilities to the area where new homes are to be constructed by HUD and BIA.

Dr. JOHNSON. That is correct.

Senator STEVENS. Is there money in this budget to fund those that have just been allocated, to us—an additional 465 approximately? There are 500 under the present agreement.

Dr. JOHNSON. For fiscal year 1976, the year we are in now, we believe the funding in 1976 appropriation we already have will be adequate to cover those 500 houses in Alaska.

Senator STEVENS. What about the ones for fiscal 1977?

Dr. JOHNSON. There we have problems, Senator Stevens. The level of housing identified in our budget is 6,000 new and improved homes.

It is our understanding from HUD and from the Bureau of Indian Affairs that they will, in fact, provide more new homes and improved homes than that 6,000. So to the extent, Senator Stevens, that we are going to be short of overall funding to support new and improved homes, Alaska will have a problem.

Senator STEVENS. I understand Mrs. Hill is making a statement today about the new program. I would appreciate it if you would take a look at that and make a statement for the record.

The program she is making for her Department will result in an impact on your budget to carry out the agreement with regard to water and sanitation facilities. Tell us what the dollar implication will be.

We are talking nationally, as well as Alaska, Mr. Chairman.  
[The statement follows:]

## Indian Health Service Comments

Regarding Points Included in a March 10, 1976, Presentation by the Secretary, Department of Housing and Urban Development, to a Meeting of Tribal Leaders and Indian Organization Representatives

Secretary Hills' presentation contained several points regarding the increased emphasis being afforded the Indian housing activities of the Department of Housing and Urban Development. The following are Indian Health Service comments on those points having an impact on our sanitation facilities activity in support of housing programs:

1. The Interdepartmental Agreement included in the new Indian Housing Regulations spells out the responsibilities of the three Federal programs in Indian housing projects. The Indian Health Service assisted in developing the agreement. The responsibilities outlined are based on those contained in the previous Memorandum of Understanding under which we have operated in the past. The new agreement provides for negotiation of lead agency agreements concerning the requirements of the National Environmental Protection Act on Historic Preservation Clearances on housing projects. The negotiation of these agreements is underway. Their adoption will assist IHS in carrying out its responsibilities. We plan to continue working with the other agencies toward this end.
2. We look forward to working with the newly established Indian Policy and Program Staff in coordinating planning and progress measurement activities. We plan to continue our present relationship with staff of the Assistant Secretary for Housing Production and Mortgage Credit

where, we understand, responsibility for Indian Mutual Help Housing will be continued.

3. The most significant point contained in Secretary Hills' statement concerns Annual Contribution Contract (ACC) targets for Indian housing for the balance of this year and through fiscal year 1977.

The plan to process 9,723 housing units to ACC Approval for Indian housing this fiscal year will have its major effect on IHS activities during the second half of F.Y. 1977 and later. It is expected that the normal time lapse between ACC approval and house construction will result in the need for sanitation facilities for many of these homes to occur in the summer of 1977.

Combining the 9,723 houses planned for F.Y. 1976 with the 1,500 and 6,000 planned for the Transition Period and F.Y. 1977 respectively, would result in a total of 17,223 housing units under approved contribution contracts by the end of F.Y. 1977. The Indian Health Service plans for the same period include funding to support 6,000 DHUD houses in F.Y. 1976, 1,500 in the Transition Period and 6,000 in F.Y. 1977 for a total of 13,500. The impact of the new DHUD emphasis on the Indian program in decreasing the processing time from contribution contract to house construction can only be estimated at this time. If more than 13,500 units are processed to construction in the next 18 months, the IHS budget plan could be seriously out of phase with the housing program. If as many as 3,700 of the DHUD target homes do not reach construction before October 1977, the Indian Health Service plan will be deficient to the extent that no sanitation facilities support will be available for Tribal housing programs, existing homes located in communities

receiving new housing, or the expanded Housing Improvement Program of the Bureau of Indian Affairs during fiscal year 1977. The IHS budget request for F.Y. 1977 includes funding to serve 6,900 new, improved and existing homes in housing project areas. At the present time, based on the latest projections of Indian housing production and assuming 3,700 DHUD units will not require IHS assistance before October 1977, approximately 11,030 homes will require sanitation facilities in F.Y. 1977 as follows:

DHUD construction starts	6,000
Housing Improvement Program	2,530
Tribal and Other Programs	1,000
Existing Homes in Housing Project Areas	<u>1,500</u>
Total	11,030

An estimated \$52 Million would be required to serve these 11,030 homes in 1977 under the interagency agreement.

## EMERGENCY MEDICAL SERVICES

Senator STEVENS. The HEW budget proposes a substantial cut in emergency medical services. The Alaskan Health Corporation has expressed a desire to have emergency medical services funded directly through the Indian Health Service. Would you agree that there is often difficulty in getting patients from the villages to a hospital for emergency treatment?

Dr. JOHNSON. Yes, Alaska is a vast and still very much a frontier land. At best, emergency medical services is a major problem in Alaska, particularly in rural areas.

Senator STEVENS. Do you have any funds in this budget for EMS programs?

Dr. JOHNSON. No, except for study funds provided in 1976 there are no funds in this budget earmarked for EMS programs. The Indian Health Service provides comprehensive health services including EMS to the extent possible within their budgetary limitations. Due to these limitations, emergency medical services is a major problem in Alaska. However, I would note that the Director of emergency medical services last year awarded an establishment and initial operations grant for \$450,000 to the State of Alaska to begin to improve emergency medical services delivery.

Senator STEVENS. Are accidents still the leading cause of death among Alaskan Natives?

Dr. JOHNSON. Yes.

Senator STEVENS. The eight Native health corporations in Alaska are presently discussing an EMS budget of approximately \$1.5 million for next year. Does this strike you as a reasonable figure?

Dr. JOHNSON. Yes, it seems reasonable especially when you take into consideration the vastness of the geographic area and the distribution of the Natives in small isolated villages.

## ALASKA HOSPITAL COMMUNICATIONS

Senator STEVENS. We added some money in the past for Indian Health Service to establish a more reliable communications systems between the Alaskan villages and the Indian Health Service hospitals. How were these funds expended?

Dr. JOHNSON. Of the \$300,000 appropriated for more reliable Alaska communications, \$47,000 were expended on a study to determine the best approach. It was determined that communication via satellite was the most practical method. As a result of that study and of the successful telemedicine experiments on NASA application technology satellites—ATS-1 & 6—the State of Alaska appropriated \$5 million for the installation by RCA of satellite Earth stations in 100 communities. Because of the State's initiative it has not been necessary to date for further expenditure of the Indian Health Service funds. However, 29 Earth stations are to become operational in the fourth quarter of fiscal year 1976, with the remainder becoming operational in fiscal year 1977. The remaining funds of the initial appropriation will contribute to payment of the Indian Health Service share of the use of the satellite network. In addition to the \$300,000 just discussed the 1976 appropriation contains \$200,000 for Alaska communications. These funds of \$200,000 have been proposed for rescission by the President.

Senator STEVENS. Is there money in the 1977 budget to continue the health information project?

Dr. JOHNSON. There are no explicit funds in the fiscal year 1977 budget to continue the health information system—HIS—in Alaska. However, the effects of a recent improvement in the Indian Health Service computer system are currently being reviewed to determine if funds can be made available for the continuation of the HIS in the Tanana service unit. Funds are not available for an expansion of the HIS to other service units.

Senator STEVENS. How much would be required to continue the HIS in Alaska?

Dr. JOHNSON. The cost to continue the HIS activities in Tanana service unit at the present level would be approximately \$120,000 per year. The total cost for fiscal year 1977 for expansion and operation in the Tanana and Mount Edgumbe service units and in the Aleut region of the Anchorage service unit would be approximately \$440,000.

Senator STEVENS. Would you please provide a statement regarding the necessity for radio and satellite communications for health purposes in Alaska?

Dr. JOHNSON. The geographic and electromagnetic setting of Alaska is characterized by vast distances, mountainous terrain, a harsh climate, and ionospheric disturbances. All of these factors seriously interfere with traditional land-based radio communication systems. Such interference often results in poor quality of reception, and even total loss of contact. As poorly as they perform high-frequency radios are the only means of communication for most of the remote communities in Alaska. The effects of delayed, incomplete, or garbled communication are delayed, inadequate, or inappropriate health care.

Most of the geographic factors interfering with communication also affect transportation. Ground based transportation systems are poorly developed and incomplete. In Alaska, travel to and from remote communities means the use of bush planes from short, rough, and unlighted runways. During times of storm, fog, extreme cold, freeze-up and break-up, aircraft are often weathered in, and no matter how urgent the need for care, patients cannot be transported. In addition to difficulties, delays, and risks, the travel costs are very high and absorb a substantial amount of the health care budget.

The harsh climate, inadequate housing, substandard water and sanitation facilities, poor nutrition, and delayed access to health care have all combined to create health problems of tragic magnitude for the Alaska Native population. In order to diminish the effects of those barriers, the Indian Health Service has developed health delivery systems involving paramedical outreach personnel—community health aides, physician's assistants, and nurses. These systems have had substantial impact on the health care problems of the Alaska Native people, but their functioning has been generally hampered by the communication and transportation problems.

The outreach personnel work closely with the general medical officers at remote bush hospitals and with specialists at the Alaska Native Medical Center in Anchorage. Through radio contact the aides serve as the remote sensors and effectors for the physicians, describing the health problems and when possible providing treatment as directed

by the physicians. Consequently, the communication link is of utmost importance, and because of the atmospheric conditions and the rugged terrain communication via satellite is the only feasible approach.

The telecommunication capability coupled with the health information system makes both the historical and the immediate information available to the total health team thus allowing rapid response to problems and opportunities. Telecommunication ties together the health team in a cohesive, effective and efficient unit and is crucial for the health and safety of Alaskans.

#### NOME HOSPITAL

Senator STEVENS. As you know, I have been concerned for some time about the Maynard McDougall Memorial Hospital in Nome. The current facility is operating under waivers from the State fire marshal's office. What is your evaluation of the building as it relates to fire and safety codes?

Dr. JOHNSON. We agree that the existing hospital at Nome does not meet National Fire Protection Association standards and is not practical to remodel to meet these standards short of a complete replacement facility.

Senator STEVENS. Is it true that 80 percent of the people served by the hospital are eligible for Indian Health Service care?

Dr. JOHNSON. Yes.

Senator STEVENS. What is the service area of the hospital? Would you please list the villages served by Nome?

Dr. JOHNSON. The villages are as follows:

Primary service area: Nome.

Secondary service areas: Brevig Mission, Diomed, Elim, Gambell, Golovin, Kayuk, St. Michael, Savoonga, Shaktoolik, Shishmaref, Stebbins, Teller, Unalakleet, Wales, and White Mountain.

Senator STEVENS. The Norton Sound Health Corp. has made arrangements to assume control of the hospital. Do you know of any other Indian-owned and operated hospitals which also serve the non-Indian population of the area?

Dr. JOHNSON. No.

Senator STEVENS. What is the current status of Norton Sound's application for an FHA guaranteed loan to build a replacement facility?

Dr. JOHNSON. DHEW, region X, has recently rejected NSHC application for building a \$18 million facility in Nome which required a \$15 million loan under HUD.

Senator STEVENS. How far away are the nearest hospitals from Nome?

Dr. JOHNSON. Anchorage, 500 miles; Fairbanks, 500 miles; Kotzebue, 175 miles; and Bethel, 500 miles.

Senator STEVENS. Does the Indian Health Service have authority to assist in the funding of this hospital in view of the large percentage of Native clientele?

Dr. JOHNSON. Yes, either under Public Law 85-151 or Public Law 93-638.

Senator STEVENS. What do you view as your most appropriate role in this project?

Dr. JOHNSON. First to help the Norton Sound Health Corp. determine their health needs at Nome; second, to help them develop a project that is financially feasible and; third, if necessary, help them fund the development of the project.

Senator STEVENS. How much money in contract care funds was allocated to Maynard McDougall in the last fiscal year for which you have available data? How much do you plan to allocate there in this budget for 1977?

Dr. JOHNSON. In fiscal year 1976, \$543,000; for fiscal year 1977, \$695,000.

Senator STEVENS. How would you compare the costs of operating a hospital in Nome as compared to the lower 48?

Dr. JOHNSON. The costs of operating a hospital in Nome is considerably higher than the costs of operating a similar size hospital in the lower 48 States for several reasons.

First, Alaskan cost of living is substantially higher than the cost of living in the lower 48 as suggested by the 25-percent cost-of-living allowance paid to all employees in the Federal Government who work in Alaska. For Anchorage only it is 22½ percent.

Operating costs in Nome for heating and lighting and other utility costs for operating hospital facilities are higher in Nome due to the fact that fuel oil must be barged in from Seattle.

Hospital operation costs at Nome would also require operational costs—staffing, supplies, machinery—for the operation of a regular laundry department which is normally not found in hospital operations in the lower 48 as the laundry function is usually contracted out.

Larger equipment and supply inventories required at Nome would also entail higher operating costs based on limited delivery schedule.

Recruiting and retaining qualified health professionals at many of Indian health service health facilities in Alaska requires an extensive Government housing program. The construction, maintenance and management of this housing program is an integral part of the operation of the health programs in Alaska.

Due to the lack of roads in the Nome area connecting villages, most patients sent to the Nome Hospital from village clinics require air transportation to and from their village. Expenditures for patient travel are therefore considerably increased. Furthermore, if patients seen at the Nome Hospital have to be referred to the Alaskan Native Medical Center in Anchorage for more complex treatment or follow-up, an additional round-trip charge per patient is incurred.

Labor costs for maintenance and repair and sanitation projects are higher in Nome.

Factors of isolation, climate, high transportation costs also influence patient utilization of the Nome Hospital in terms of probable longer ALOS, "delayed discharges", and necessary inefficient use of acute care beds.

Senator STEVENS. If Norton Sound cannot obtain the necessary financing to build a new hospital and the current facility is closed, how would the Indian Health Service provide care for the Alaskan Natives in that area?

Dr. JOHNSON. We would refer inpatient care to our health facility at Kotzebue and Anchorage, Alaska. In addition we would attempt to operate an ambulatory care program in Nome.

Senator STEVENS. Would you anticipate the necessity of building at least an outpatient clinic in Nome? If so, could you give me an estimate of the cost?

Dr. JOHNSON. Yes, if we provided only an outpatient clinic we would need 13,300 gross square feet and \$2.3 million which includes equipment costs. If the NSHC outreach field health program was added the cost would be based on 18,300 gross square feet or \$3,200,000 which includes equipment costs.

Senator STEVENS. If Maynard McDougall were to close before you could build a facility in Nome, you would have to fly the patients to other facilities in the State. Can you provide me with an estimate of added cost to the Government of this service?

Dr. JOHNSON. That would be about \$160,000.

#### REGIONAL CORPORATION CLINICS

Senator STEVENS. The Alaska Federation of Natives, Inc. on behalf of the regional nonprofit corporations, requested a sum total of \$1,358,162 to be appropriated through Indian Health Service to fund direct medical services being provided by Norton Sound Health Corp., Yukon Kuskokwim Health Corp., and Mauneluk Association. The appropriation of this request will help alleviate the unmet needs within these three regions. Do you support this request?

Dr. JOHNSON. Yes, the regional corporations are performing a unique service in a commendable manner, and should be provided increased support.

Senator STEVENS. What type of clinic is located at Mountain Village?

Dr. JOHNSON. Indian Health Service is leasing 758 square feet in the community building under the village built clinic leasing program; this has been leased since November 1971 and renewed each year.

Senator STEVENS. Is this adequate?

Dr. JOHNSON. Yes, we consider the clinic a sound investment and has contributed to the improvement of the health of the native people.

Senator STEVENS. Are there presently any plans to provide a new clinic for the village?

Dr. JOHNSON. We are not aware of any further need for additional space to be leased at Mountain Village. We have no plans to construct new Federal clinics anywhere in Alaska, but will be leasing new facilities under the village built clinic leasing program.

Senator STEVENS. I understand that Mountain Village has had trouble with the water-sewer system you installed there. Do you have plans to provide a chemical treatment plant and to replace the septic tanks?

Dr. JOHNSON. A sanitation facilities project, funded in 1970, provided community water and sewer systems at Mountain Village. Since that time, the well had become unreliable and the three community septic tanks had failed to function properly. A current sanitation facilities project has provided two new wells which are now in service. This project includes the provision of a central sewage treatment plant to replace the septic tanks. Area staff are working with the community to develop a reliable maintenance organization. If such a maintenance capability is not developed to operate a treatment plant, it is our judgment that the septic tanks should be repaired or replaced since they require less maintenance attention.

## TRAC SYSTEM

Senator STEVENS. The Division of Indian Community Development has demonstrated a tracking system that will be used to assess the Indian communities' ability to execute contracts by using the tribal response and contract system (TRAC) as a means of evaluating program results and their ability as Native Americans in managing their own health care delivery system. Will you please state how this system works in determining the capabilities of Native Americans for executing health contracts?

Dr. JOHNSON. The purpose of TRAC is not only to assure contract compliance, but to determine what degrees and what type of technical assistance is needed by the tribes to develop their capability to manage their health program. It also focuses on what responsibilities the Federal Government has in the tribal contracting agreements.

This system works in determining capabilities of Native Americans for executing health contracts by several means.

First, by insuring fiscal and program accountability through actual tracking of the work scope of the contract monthly and/or quarterly.

Second, by indicating specific training and technical assistance or other resources required to correct any possible deficiencies. Pointing up possible breaches of responsibilities on the part of the Federal Government in carrying out the contract work.

Third, by quickly identifying those problem areas to prevent them from being compounded.

Finally, by storing important health data to insure proper reporting of program success.

Senator STEVENS. What has been your experience with the use of the TRAC system in those locations where it is operational?

Dr. JOHNSON. The TRAC system has been enthusiastically accepted and endorsed by the tribes and Indian organizations as well as IHS field staff.

Senator STEVENS. Thank you very much, Senator Montoya.

Senator MONTOYA. Thank you, Senator Stevens.

## FUNDING OF INDIAN SELF-DETERMINATION ACT

Senator MONTOYA. Dr. Johnson, the Bureau of Indian Affairs has a supplemental appropriation request pending for more than \$10 million, to implement the Indian Self-Determination Act. It also has more than \$32 million in its 1977 budget for that purpose.

Why hasn't Indian Health Service been allowed to budget for this important program?

Dr. JOHNSON. Mr. Chairman, the Department has testified before other committees of Congress that the Indian Health Service has submitted a request for a supplemental for 1976.

The status of it—I will have to refer you to Mr. Forbush.

Senator MONTOYA. Mr. Forbush?

Mr. FORBUSH. We are in the stage of presenting the recommendations to the Secretary. It is an immediate item of business. It should be sent to OMB in the next week.

Senator MONTOYA. A supplemental request for this fiscal year?

Mr. FORBUSH. That is what has been requested by the Indian Health Service.

Senator MONTOYA. Why did you wait this long?

Mr. FORBUSH. We just received the request from the Indian Health Service.

Dr. JOHNSON. We made our supplemental request in September, Mr. Chairman.

Senator MONTROYA. It has been in file 13.

Mr. FORBUSH. Sir, several offices had to review this supplemental request before it could be sent to the Secretary. The review revealed several areas that required additional information and clarification. Accordingly, the supplemental request had to be delayed while we resolved these problems.

Senator MONTROYA. It is being reviewed to death.

What are your requirements for fiscal year 1976 and 1977?

Dr. JOHNSON. Our requirements are \$12 million for 1976 and \$37 million for 1977.

#### PATIENT CARE

Senator MONTROYA. Dr. Johnson, let's return to your budget estimates, starting with the patient care activity. The request for patient care totals \$170.2 million, which is \$16.8 million above the amount you have listed as available in the current year.

First, what impact will the 15-position reduction have on your hospital care subactivity on top of the 119 you lost in the current year?

Dr. JOHNSON. It will further decrease the ability of the program to provide care.

Senator MONTROYA. In the information you supplied at the committee's request, you indicated none of the 130 new positions for the Claremore hospital was included in your budget. Is the \$1.6 million associated with these new positions for a full or part year?

Dr. JOHNSON. It is for a part of fiscal year 1977. The full year cost would be \$2,633,000 plus the pay act costs or \$2,732,000.

#### HOSPITAL CARE

Senator MONTROYA. Getting back to the justification statement to the effect that hospital services will increase but the quality of care will be reduced—please expand on that. In what way will care suffer?

Dr. JOHNSON. There will be fewer people to provide care. This means longer waiting lines at outpatient departments, overworked staff and an increase in the backlog of untreated cases.

Senator MONTROYA. What about the fact mentioned in your justification that only 25 of the 51 Indian health hospitals are accredited? What does this lack of accreditation mean?

Dr. JOHNSON. The lack of accreditation by the Joint Commission on Accreditation of Hospitals means that facilities do not meet the national established standards for the operation of hospitals as set forth by the Commission. The accreditation program is voluntary and is conducted to promote high quality health care in order to give patients the optimal benefits that medical science has to offer. Failure to receive accreditation can result from failure to meet certain principles of physical plant safety and maintenance, efficient organization in care of the patient, or failure to provide adequate staffing.

Senator MONTROYA. What is needed to get these 25 hospitals properly accredited?

Dr. JOHNSON. Currently there are actually 28 unaccredited hospitals. We need increased staffing levels combined with properly trained personnel at 15 of the nonaccredited facilities. Major modernization or total replacement of the facility is required at 13 of the non-accredited hospitals.

#### CONTRACT CARE

Senator MONTROYA. We brought out earlier that the \$8.6 million increase requested for contract care was not sufficient to meet actual cost increases. What is the actual estimated cost increase? Please break down these increases in the form used on page 13 of the justification.

Dr. JOHNSON. An additional \$6.6 million over the \$8.6 million is required in 1977. I will supply the breakdown for the record.

[The information follows:]

#### INDIAN HEALTH SERVICE—CONTRACT HEALTH CARE

	1977 President's budget		Proposed revision	
	Fiscal year 1976	Fiscal year 1977	Fiscal year 1976	Fiscal year 1977
Hospitalization:				
Average daily patient load .....	422	422	<sup>1</sup> 478	<sup>1</sup> 478
Per diem rate .....	\$148.47	\$174.75	\$153.91	\$187.46
Amount .....	\$22,931,000	\$26,917,000	\$26,926,000	\$32,706,000
Patient and escort travel .....	2,300,000	2,599,000	2,300,000	2,599,000
Professional field Supv. ....	876,000	903,000	876,000	903,000
Physicians' services .....	16,607,000	19,762,000	17,292,000	20,577,000
Dental services .....	3,240,000	3,681,000	3,240,000	3,681,000
Other services .....	5,156,000	5,870,000	5,156,000	5,870,000
Total .....	51,110,000	59,732,000	<sup>2</sup> 55,790,000	<sup>3</sup> 66,336,000

<sup>1</sup>The 478 ADPL represents the same workload reflected in the 1976 President's budget and appropriation.

<sup>2</sup>Includes proposed 1976 supplemental of \$4,680,000.

<sup>3</sup>Reflects 1976 supplemental.

#### COST INCREASES

Senator MONTROYA. Why is it so high? Do you have any control over these costs?

Dr. JOHNSON. No; we do not have any control. We have to pay the market price.

Senator MONTROYA. Would it be cost effective to shift some of these spiraling contract care costs to direct care?

Dr. JOHNSON. We analyze each location relative to comparative costs and availability of adequate facilities and services. Very often the Indian population is too small to warrant an IHS facility. In a number of instances it would be cost effective to provide direct care rather than contract health care.

#### PREVENTIVE HEALTH AND AMBULATORY CARE

Senator MONTROYA. The request for preventive health and ambulatory care totals \$140.8 million, which is nearly \$11 million above the amount shown as available for 1976 in the justification.

Again, we have a 15-position reduction on top of the 1976 personnel cutback of 337 positions. What impact would this have on your programs, Dr. Johnson?

Dr. JOHNSON. It would seriously impair the quantity and quality of services.

#### SANITATION

Senator MONTOYA. Your justification for the sanitation subactivity states plans are being initiated to train tribal health workers in certain contracted environmental health activities. What is budgeted for that program?

Dr. JOHNSON. There are no funds specifically identified in the fiscal year 1977 request for the training of tribal health workers to perform environmental health services. However, the training of tribal health workers as instructors in home safety and in safety program management is being conducted by the National American Indian Safety Council, NAISC.

Environmental health funds of \$59,000 are being used for the NAISC contracts while the travel and other expenses of the trainees are paid by the participating tribes. Similar training efforts are planned for fiscal year 1977 utilizing the same sources for funding.

Senator MONTOYA. Environmental health services budgeted for 1977 are down 2,000 below the 1975 level. What funding is needed to maintain the 1975 level?

Dr. JOHNSON. The 1977 budget reflects a position request which is 17 below the 1975 staffing level. This proposed reduction resulted in the estimated reduction of 2,000 services below 1975. Funds are included in the 1977 President's budget for these 17 positions.

#### DENTAL CARE

Senator MONTOYA. Your dental subactivity justification mentions that services were provided to 41.7 percent of the 55-percent target of Indian and Alaska Native population. Why are you targeting only 37.8 percent in 1977?

Dr. JOHNSON. The lower target in 1977 results from an increase in population without any increase in financial resources coupled with a decrease in positions.

Senator MONTOYA. What additional funding would be needed to reach 55 percent of the target population?

Dr. JOHNSON. An additional 343 positions and \$3,520,000 in field health dental resources and \$2,079,000 in contract dental resources are required to meet the estimated dental needs of 55 percent target population of the American Indian and Alaska Native population.

#### PUBLIC HEALTH NURSING

Senator MONTOYA. Public health nursing services are also going down under this budget request. Again, what additional funding would be needed to maintain the 1975 level?

Dr. JOHNSON. This reduction in services is again the result of the proposed reduction of 10 positions below the 1975 staffing level. Funds are included in the 1977 request for these positions.

## HEALTH EDUCATION

Senator MONTROYA. Under health education, what funding is being directed at the development of Indian leadership? How does it compare with 1975 and 1976?

Dr. JOHNSON. In 1977, approximately \$240,000 will be directed toward the development of Indian leadership. This represents the same program level as 1975 and 1976. Funds for this purpose are budgeted under another activity.

Senator MONTROYA. It would seem the health education activity is an essential one to meet the goals of the Indian Self-Determination Act. Does your budget program, in your opinion, provide adequate funding in that respect?

Dr. JOHNSON. It does not.

## FIELD MEDICAL SERVICES

Senator MONTROYA. Since there is no funding in your budget to annualize last year's congressional increases, can we assume there is no increase for the community health aides and representatives under field medical services?

Dr. JOHNSON. You are correct. There are no additional funds in 1977 to provide full-year funding of 1976 congressional increases.

Senator MONTROYA. Isn't the health aide-representative program well suited to the goals of the Indian Self-Determination Act?

Dr. JOHNSON. Yes; it is.

Senator MONTROYA. What level of funding is provided for the community health workers, and what would it accomplish in 1977?

Dr. JOHNSON. The 1977 budget provides for \$22,680,000 in 1977 for community health workers. These funds will provide for the employment of 1,653 workers and the training of 250 additional workers.

## URBAN HEALTH

Senator MONTROYA. Your justification mentions the 17 urban health projects. What is the specific funding in this budget for them?

Dr. JOHNSON. The 1976 funding for these urban projects is \$1.3 million. The 1976 appropriation included an additional \$1.6 million for urban projects which were added by Congress but proposed for rescission by the President.

Senator MONTROYA. Please supply details for the record, including the amounts for each urban health project and the additional funds for each needed to maintain the 1976 program funded by the Congress.

Dr. JOHNSON. I will be glad to.  
[The information follows:]

## INDIAN HEALTH SERVICE—URBAN HEALTH PROJECTS

	Projects authorized	1976 congressional "add-ons" proposed for rescission
Minneapolis .....	\$150,000	
California .....	372,000	\$460,000
Oklahoma City .....	98,000	
Seattle .....	98,000	600,000
Chicago .....	89,800	
Milwaukee .....	90,200	
Denver .....	85,000	
Dallas .....	85,000	
Portland .....	64,000	
Wichita .....		80,000
Detroit .....		80,000
Billings .....		60,000
Spokane .....		60,000
Tucson .....		60,000
Tulsa .....		80,000
Boston .....		80,000
Omaha .....		40,000
Cost increases for above .....	168,000	
Total .....	1,300,000	1,600,000

The 1977 President's budget request: (1) includes funds to support the "Projects authorized of \$1,300,000" (2) excludes funds to support the additional projects of \$1,600,000 appropriated by the Congress in 1976. Amount required is \$1,808,000 in 1977.

## AMBULATORY CARE

Senator MONTROYA. The justification shows a decreasing number of outpatient visits in 1976 and 1977. Are outpatient visits actually decreasing in the current fiscal year?

Dr. JOHNSON. No, they are not decreasing this year.

Senator MONTROYA. Again, what funding would be required to maintain the 1975 level of outpatient treatment?

Dr. JOHNSON. As with the programs I mentioned previously, the proposed reduction of 76 positions below the 1975 staffing level results in a decrease in the number of outpatient visits estimated for 1976 and 1977. No additional funding is required.

Senator MONTROYA. Going a step further, what do you estimate would be needed in additional funding to meet the expanding outpatient load adequately?

Dr. JOHNSON. Through the application of staffing standards to the current ambulatory patient care workload, we have identified a manpower deficiency in ambulatory care—hospital outpatient departments and field clinics—of 973 positions and \$17,514,000.

## ADMINISTRATIVE EXPENSES

Senator MONTROYA. Why do you need a \$3,000 increase for administrative travel? Can't you curb such travel to offset cost increases?

Dr. JOHNSON. During 1975 we reduced travel in headquarters approximately in half. The \$3,000 represents additional costs resulting from the recently authorized increase for per diem.

Senator MONTROYA. Please explain the large increases requested for other services and for supplies and materials.

Dr. JOHNSON. The entire amount requested is for cost increases.

## ADDITIONAL QUESTIONS

Senator MONTROYA. We have questions from Senator Bellmon and Senator Abourezk that we will ask you to answer for the record.

Dr. JOHNSON. We will be pleased to do so, Senator.

[The questions and answers follow:]

## QUESTIONS SUBMITTED BY SENATOR BELLMON

## WEWOKA AND MIAMI CLINICS

*Question.* Dr. Johnson, as you know, this committee added amendments to the Interior Appropriations Bill FY 1976, for two Indian health clinics in my State. These amendments included \$400,000 for the Wewoka Clinic and \$360,000 for the Miami Health Clinic. Though the funds for these projects were recommended for rescission by the Administration, it is my understanding that these funds will be available within the next few weeks. In view of this, could you tell the committee what progress will be realized on these two health facilities in FY 1976?

*Answer.* Planning for these facilities is substantially complete and construction will begin after appropriated funds are released. Funds appropriated in FY 1976 will provide for equipment purchase, contract care services, leasing costs, and staffing costs for a limited time period.

*Question.* Are there any funds in the FY 1977 budget for Wewoka and Miami?

*Answer.* No.

*Question.* Would you please tell the committee what amounts will be required in FY 1977 to continue with the Wewoka and Miami Health Clinics? Will this figure compensate for the staffing needs of these two clinics?

*Answer.* Funds in the amount of \$656,000 will be required in FY 1977 to provide for staffing, operational and contract care costs for the Miami Health Clinic. Funds in the amount of \$1,394,000 will be required in FY 1977 to provide staffing, operational and contract care costs at the Wewoka Health Clinic. These figures include the additional 20 positions needed at Miami and the additional 49 positions needed at Wewoka which will compensate for the total staffing needs at the two facilities.

## ADA HOSPITAL

*Question.* Turning to yet another Indian Health Facility, \$800,000 was appropriated in FY 1976 for the Ada Hospital (Carl Albert Indian Hospital). This money was for planning purposes? Could you tell us the status of this planning as well as when the planning process will be completed?

*Answer.* The \$800,000 appropriated in FY 1976 for planning Ada Hospital has been proposed for deferral by the President. If released, it is anticipated that an A/E contract could be awarded within 60 days and that the design of the facility will be at a stage where construction could begin during the second quarter of FY 1977.

*Question.* Is there a budget request from the Administration in the FY 1977 budget for the continued work to be done on the Ada Hospital?

*Answer.* No.

*Question.* Could you tell the committee what level of funding will be required in FY 1977 for the Ada Hospital, so that the planning and construction of this facility will not be delayed?

*Answer.* The total facility estimated costs for the Ada Hospital if all funds were made available in FY 1977 would be \$11,700,000 for construction and \$2,300,000 for equipment. With incremental funding \$7,000,000 would be required in 1977 to continue the project without delay.

## CLAREMORE HOSPITAL

*Question.* Dr. Johnson, it is my understanding that the Claremore Indian Hospital in Claremore, Oklahoma, will soon be completed. Could you tell us when this facility will actually be completed and will become operative? In view of what you have just said, will there be any additional funding requirements for the Claremore Hospital? Does the FY 1977 budget include funds for staffing positions at the Claremore facility? Could you tell the committee the level of funds which will be necessary to adequately staff this Hospital?

*Answer.* Claremore Indian Hospital is scheduled for completion in November 1976 and is expected to be in full operation by February 1977. Additional funding will

be required for approximately eight months in FY 1977 for staffing and operating costs. The FY 1977 President's Budget does not include the 130 additional positions and \$1,686,000 required for staffing and operations in FY 1977.

#### ABSENTEE SHAWNEE TRIBE

*Question.* Dr. Johnson, there is another matter which is of interest to me to which I would appreciate your commenting. The Absentee Shawnee Indian Tribe of Shawnee, Oklahoma, has indicated to me that a great need exists for medical staff and equipment for this Tribe. Could you tell us what the budget request is for FY 1977 for this purpose? (If there is not a request, we should inquire as to why there is not a request, also: what amounts of funding would be required to meet this need.)

*Answer.* There is no budget request in FY 1977 for the Absentee Shawnee Indian Tribe due to fiscal constraints. In order to provide the needed health services at Shawnee, 45 additional personnel are required. Total first year costs in FY 1977 would equal \$1,200,000. Annual operating costs thereafter would be \$1,157,000.

#### URBAN INDIAN HEALTH

*Question.* In reference to the Indian Health Service FY 1977 budget for urban Indian health projects; could you tell the committee what your FY 1977 budget request is? Will this level of funding be adequate to meet the demands for health resources within the participating urban centers?

*Answer.* The FY 1977 budget request for urban Indian health projects is \$1.5 million. The 1977 budget request does not include funding of the additional projects of \$1.6 million provided by the Congress in 1976. An additional amount of \$1.8 million would be required in 1977 for this purpose. This funding level is insufficient to meet the unmet health needs of the urban Indians. The unmet need for currently funded programs is \$2.0 million. In addition to this the Indian Health Service has proposals totaling \$5,950,000 in proposals from urban projects not funded by the Indian Health Service.

*Question.* Inasmuch as Oklahoma City is one of the five major cities which participates in the Urban Indian Health Programs, would you tell me what the allocation of funds will be to Oklahoma City during FY 1977 under the present budget figures? (If it is indicated that additional appropriations will be needed for the urban Indian health programs, we should inquire what Oklahoma City's allocation would be under a revised budget figure?)

*Answer.* The FY 1977 budget includes \$150,000 for the Oklahoma City Urban Program. The unmet need for Oklahoma City for FY 1977 is \$450,000.

#### QUESTIONS SUBMITTED BY SENATOR JAMES ABOUREZK

##### INDIAN ALCOHOLISM PROGRAMS

*Question.* Regarding the transfer of funds from NIAAA to IHS:

There are numerous complaints that there was not Indian community level input and that they weren't even notified of the transfer, until after it took place. Was there input by the Indian people being affected by the transfer before the transfer took place?

*Answer.* This transfer has not yet taken place. It is only being proposed and will not take place until approved by Congress. There is still time for considerable discussion before this transfer actually occurs and for the feelings of all affected Indian groups to become known.

There certainly has been Indian community input into consideration of transferring projects from NIAAA to IHS. The National Indian Health Board has been involved in review of a proposed Memorandum of Agreement between the two agencies that would be a necessary first step to an interagency transfer of alcoholism programs.

The National Indian Board of Alcoholism and Drug Abuse was most directly concerned with alcoholism programs and did, through its representation, have direct input into preparation of an issue paper that IHS has developed on alcoholism. It, of course, readily acknowledges that not every one of the 153 alcoholism programs have been individually contacted, but the NIBADA does intend to circulate this issue paper to every Indian alcoholism program.

The NIBADA is amenable to this transfer and views it as a positive move towards the future continuity and development of all Indian alcoholism program efforts. This same Board is in contact with the National Indian Health Board (NIHB) and with the National Tribal Chairman's Association (NTCA) for purposes of communicating information on Indian alcoholism programs. There is also a resolution from the National Congress of American Indians which supports the efforts of the NIBADA in regard to activities concerned with Indian Alcoholism Program efforts.

*Question.* Can you provide documentation of that input?

*Answer.* The letters and papers referred to in the previous question are attached:

NATIONAL INDIAN BOARD  
on ALCOHOLISM and DRUG ABUSE

732 Broadway                      Seattle, Washington 98122

(206) 324-5400

March 3, 1976

To:            Interior Appropriation Committee Members

From:        National Indian Board on Alcoholism and Drug Abuse, (NIBADA)

Subject:     Proposed transfer of Indian Alcoholism Funds from the National Institute on Alcohol Abuse and Alcoholism (NIAAA) to the Indian Health Service, (IHS).

The National Indian Board on Alcoholism and Drug Abuse constitutes a twenty one member board from the ten HEW regions, Alaska, and the Navajo and who represent a majority of the Indian Alcoholism programs currently funded by the NIAAA.

In the Fiscal Year 1977, IHS Budget Justification on Page 4, there is the following statement:

"The FY 1977 request includes \$12,000,000 for funding projects previously funded by the National Institute on Alcohol Abuse and Alcoholism (NIAAA). This includes \$11,499,000 transferred from NIAAA and a request for an increase of \$501,000. (See attachment Page 4.)

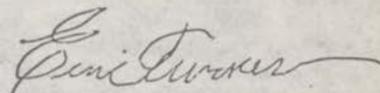
The NIBADA is amenable to this transfer and views it as a positive move towards the future continuity and development of all Indian Alcoholism Program efforts. It is very clear to the National Indian Board of Alcoholism and Drug Abuse that the Institute has for sometime planned to transfer the responsibility of the Indian Alcoholism programs to another agency. This intent can be substantiated by the unsigned memorandum of agreement between NIAAA and IHS.

The NIAAA is currently supporting in FY 1976, 151 American Indian programs at an annual operating level of \$15.6 million. (See attachment letter of 2/27/76, from Director, NIAAA). Because 41 projects totaling \$4.1 million do not require an award in 1976, having been provided with sufficient funds to carry them into 1977, the Institute will actually award 110 grants this year for \$11.5 million for American Indian Alcoholism programs.

Therefore, it is the recommendation of the NIBADA that this committee increase the amount of funding to Indian Health Service to a level currently being received by the 151 programs together with the necessary administrative costs to administer these programs.

All of the above does not take into consideration the backlog of approved and unfunded Indian Alcoholism Program applications that are on file in the Institute totaling as of February 27, 1976, 36 new applications requesting \$4.2 Million. In addition, 8 applications to supplement existing grantees have been approved at an annual level of \$.9 million and are unfunded.

NIAAA is also currently funding \$1.5 million for training of Indian alcoholism counselors and program administrators. These programs are currently scheduled for phase out. No provision is made for future funding of this training.



Ernest Turner  
President NIBADA

Attachments (2)

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February 27, 1976

Mr. Ernest Turner  
National Indian Board on Alcoholism  
and Drug Abuse  
732 Broadway  
Seattle, Washington 98122

Dear Mr. Turner:

I enjoyed the opportunity of meeting with you and Mr. Meatus to discuss topics of mutual concern related to the American Indian alcoholism effort. The purpose of this letter is to provide you with the additional statistical information you had requested.

With respect to your question concerning the size of the Institute's American Indian program, we estimate that in 1976 we will be supporting 151 American Indian programs at an annual operating level of \$15.6 million. However, because 41 projects totaling \$4.1 million do not require an award in 1976, having been provided with sufficient funds to carry them into 1977, the Institute will actually award 110 grants this year for \$11.5 million for American Indian alcoholism programs.

With respect to the backlog of approved and unfunded applications in the American Indian program, as of this date 36 new applications requesting \$4.2 million have been approved and are unfunded. In addition, 8 applications to supplement existing grantees have been approved at an annual level of \$.9 million and are unfunded.

Finally, with respect to the Institute's costs in administering the American Indian program, we estimate costs directly attributable to administering the program, including manpower, travel and supplies, to be \$70,000 annually.

I hope this information is of help to you. If I can be of further assistance, please let me know.

Sincerely yours,

Ernest P. Noble, M.D., Ph.D.  
Director

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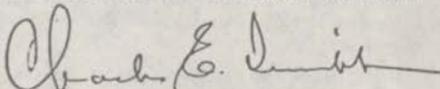
March 3, 1976

TO: Interior Appropriation Committee Members

FROM: The National Congress of American Indians

SUBJECT: Proposed transfer of Indian alcoholism funds from  
the National Institute on Alcohol Abuse & Alcoholism  
to Indian Health Service

The National Congress of American Indians by resolution (attached), fully endorses the activities of the National Indian Board on Alcoholism and Drug Abuse, and is fully supportive of the recommendations made to the Appropriations Committee by the National Indian Board on Alcoholism and Drug Abuse regarding the proposed transfer of the National Institute on Alcohol Abuse and Alcoholism (NIAAA), funds from the NIAAA to the Indian Health Service.



Charles E. Trimble  
Executive Director, NCAI

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## Resolution No. NCAI 75-115

## ALCOHOL AND DRUG ABUSE

WHEREAS, the National Indian Board on Alcohol and Drug Abuse provides positive advocacy on behalf of its constituency in respect to developing criteria, guidelines, and funding policies that are efficacious to the total efforts of Indian alcoholism program development and continuation; and

WHEREAS, National Indian Board on Alcohol and Drug Abuse has a constituency that is national in scope and encompasses a majority of the Indian alcoholism programs throughout this nation; and

WHEREAS, the National Institute on Alcohol Abuse and Alcoholism is currently funding 179 Indian alcoholism programs throughout the nation; and

WHEREAS, the Indian Health Care Improvement Act has provisions for Indian alcoholism program funding and as a result of this legislation, a majority of these programs will transfer to Indian Health Service through a Memorandum of Agreement between Indian Health Service and National Institute on Alcohol Abuse and Alcoholism; and

WHEREAS, the perceived role of National Indian Board on Alcohol and Drug Abuse will be to assist National Institute on Alcohol Abuse and Alcoholism and Indian Health Service in developing these policies and procedures in effecting an orderly transfer of programs; and

WHEREAS, National Indian Board on Alcohol and Drug Abuse additionally perceives its role and function as being instrumental in assisting the Indian Health Service in an advisory capacity for the development of policy to implement the alcoholism provision of this Act; and

WHEREAS, there is an expressed and established need for the service of an Indian alcoholism and drug abuse organization to monitor the national Indian alcoholism and drug efforts; and

WHEREAS, the National Indian Board on Alcohol and Drug Abuse has the capability to provide expert consultation and technical assistance to the national Indian leadership and federal agencies involved in Indian alcoholism programming; and

WHEREAS, National Indian Board on Alcohol and Drug Abuse recognizes and acknowledges that the positive support of our national Indian leadership is vital to the accomplishment of the National Indian Board on Alcohol and Drug Abuse objectives in the field of alcoholism.

NOW, THEREFORE, BE IT RESOLVED, that the National Congress of American Indians fully endorses and supports the activities of the National Indian Board on Alcohol and Drug Abuse;

BE IT FURTHER RESOLVED, that the National Congress of American Indians utilize National Indian Board on Alcohol and Drug Abuse in an advisory capacity in all concerns relating to the development of Indian alcoholism programs as a national effort.

*Question.* Are there transcripts available of the Alcohol Drug Abuse Mental Health Administration meeting where the transfer was initially discussed?

*Answer.* To our best knowledge, no transcripts of any meetings are available which specifically discuss this transfer. The original intent was to allow NIAAA to support the projects for six years, at the end of which time they would be considered "matured" projects and subsequently transferred to Indian Health Service. In view of the proposed shift of categorical grants operations to consolidated state block grant revenue sharing by the Administration, and because of the uniqueness of the Federal Government's relationships with the Indian, it was decided by the Administration to retain Indian alcoholism programs in the Federal Government to assure the continuity of these programs. It was further decided to place these programs in the Indians' own health care agency, the Indian Health Service.

*Question.* Can these transcripts be distributed in some way to the different Alcoholism programs?

*Answer.* The issue paper that has been jointly developed by the National Indian Board on Alcoholism and Drug Abuse and the Indian Health Service is being distributed by NIBADA to each and every one of the 151 Indian Alcoholism Programs.

*Question.* Is there a developed mechanism for the transfer of funds?

*Answer.* Yes, there is such a mechanism.

*Question.* What is the plan for distributing funds for contracting in non-reservation projects?

*Answer.* They will be administered by the IHS Area Office nearest to the program.

*Question.* How and who is going to administer off reservation projects?

*Answer.* Each IHS Area will determine the coordination of the Alcoholism Program according to its specific needs, available professional back-up, together with input from local representatives of the National Indian Board on Alcoholism and Drug Abuse and from the National Indian Health Board, and the National Tribal Chairman Association and other appropriate nationally recognized Indian organizations. Off-reservation projects will be administered in the same manner as on-reservation projects with input from appropriate Urban Indian groups. All Area Office coordination will be under the direction of a central coordinating office which will be located in the field.

*Question.* How are IHS and NIAAA to incorporate Drug Abuse within this proposed transfer of funds?

*Answer.* There is no provision for the transfer of Drug Abuse programs at the present time.

*Question.* What are the criteria for determining performance standards of IHS in the Alcoholism programs?

*Answer.* The National Indian Board on Alcohol and Drug Abuse is developing a Credentialing Plan for setting performance standards for Indian Alcoholism Programs. In addition, Indian Health Service will be involved in development and selection of suitable criteria for alcoholism programs. No single set of criteria currently in existence completely serves to illustrate what the criteria should be. As they are developed, they will be utilized.

*Question.* Who will determine those Standards?

*Answer.* As was stated in the previous question, the National Indian Board on Alcohol and Drug Abuse (NIBADA) and the Indian Health Service (IHS) with appropriate review and approval from the National Indian Health Board, the National Tribal Chairmen Association, and other appropriate nationally recognized Indian Organizations.

*Question.* In the event of cutbacks in allocation, how will the current projects, both on and off reservations, be affected?

*Answer.* If cutbacks actually occur, there will be a loss of essential services to the Indian alcoholic who will most assuredly suffer.

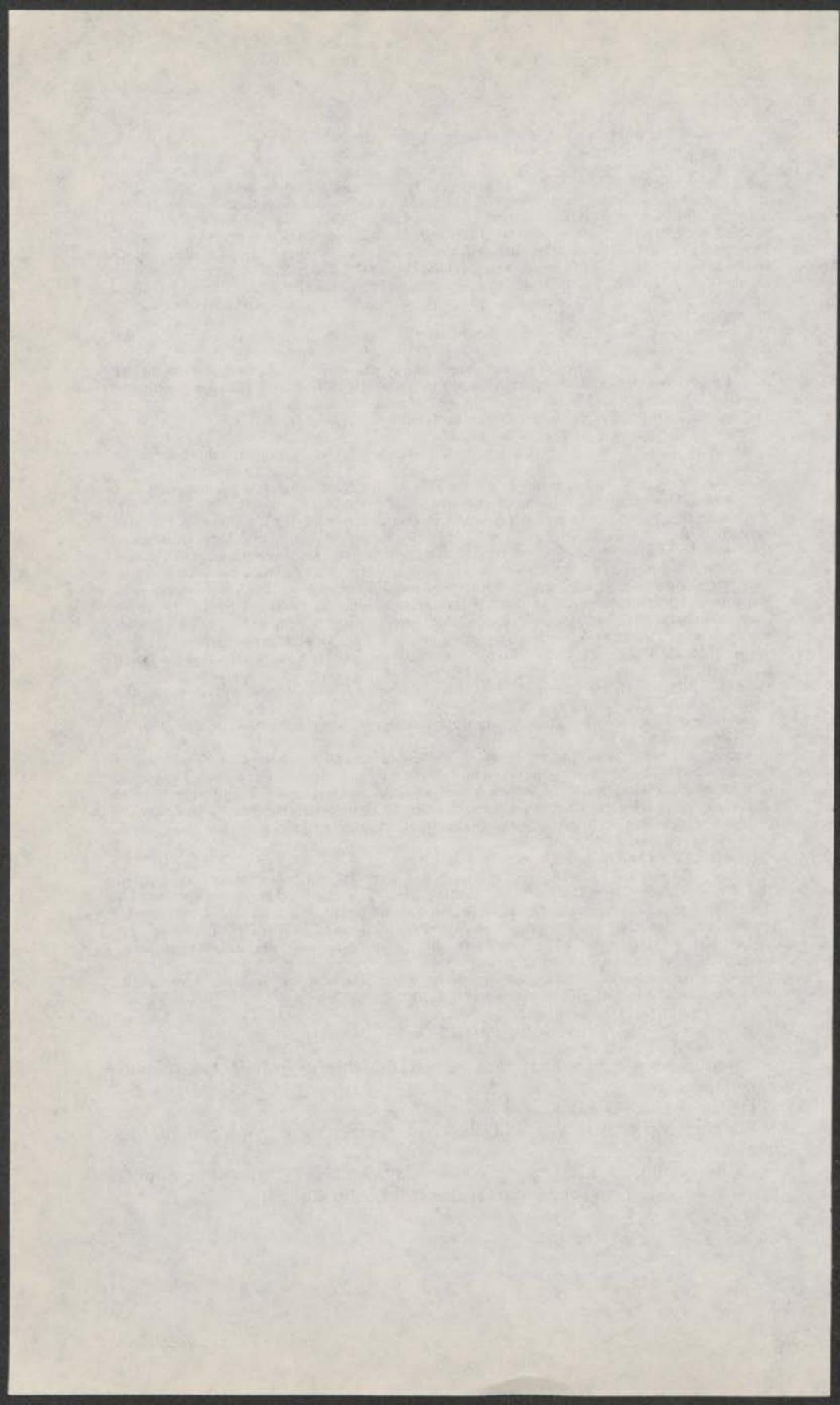
#### SUBCOMMITTEE RECESS

Senator MONTROYA. That will be all for this morning. Thank you very much.

Dr. JOHNSON. Thank you.

Senator MONTROYA. We will stand in recess, subject to call of the chairman.

[Whereupon, at 12:10 p.m. Wednesday, March 10, the subcommittee was recessed, to reconvene at the call of the Chair.]



**DEPARTMENT OF INTERIOR AND RELATED AGEN-  
CIES APPROPRIATIONS FOR FISCAL YEAR 1977**

**TUESDAY, MARCH 16, 1976**

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

The subcommittee met at 11:40 a.m., in room 1114, Everett McKinley Dirksen Office Building, Hon. Ted Stevens presiding.  
Present: Senator Stevens.

**DEPARTMENT OF THE INTERIOR  
ADMINISTRATION OF TERRITORIES**

Senator STEVENS. Good morning.

The subcommittee will come to order. Let me apologize for the delay.

We have several budgets to hear this morning, and some of them are very complex. We will hear the two comptrollers first, if they will come forward now, and then we will proceed to Mr. Zeder, American Samoa and the Trust Territory. In these cases, we will hear the supplemental estimates first and separately, and then go to the regular 1977 budget.

First, we have Mr. Floyd Fagg, who will proceed with the budget estimate, as the Government Comptroller for Guam.

**GUAM COMPTROLLER**

**STATEMENT OF FLOYD W. FAGG, GOVERNMENT COMPTROLLER  
FOR GUAM AND THE TRUST TERRITORY OF THE PACIFIC  
ISLANDS**

**ACCOMPANIED BY HUGH GALLAGHER, BUDGET OFFICER, OFFICE  
OF TERRITORIES**

Senator STEVENS. The total request is \$256,000, a reduction of \$355,000 from the current year. The justification is included in part 1 of the record.

If you would, please, brief us on your statement. We will put the full statement in the record.

[The information follows:]

**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 seven annual reports; that is, for the fiscal years ended June 30, 1969 to and including June 30, 1975. 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 140 other managerial and special-type reports. These reports have contained approximately 2300 recommendations.

In our opinion the Government of Guam is currently realizing savings or additional income in the amount of over \$6,000,000 annually as a result of the implementation of our recommendations.

#### REQUEST FOR FUNDS—GUAM

The fiscal year 1976 program for the Government Comptroller for Guam is \$680,000. The fiscal year 1977 program is estimated at \$655,000, a reduction of \$25,000 from fiscal year 1976. The request for new funds for fiscal year 1977 is \$256,000, a reduction of \$424,000 from fiscal year 1976. The balance of funding for fiscal year 1977 will be provided from unobligated balances from prior years. Nineteen spaces are allocated for the Government Comptroller for Guam operating for fiscal year 1976. No additional spaces are requested for fiscal year 1977.

The Comptroller's office has experience some slippage in the plan to place the Government of Guam on a two year audit cycle due to manpower shortages; however, with funds available for fiscal year 1976 and fiscal year 1977 the comptroller can place the management type audits essentially on a 2½ year cycle.

In addition this office expects to remain current with respect to the Guam annual fiscal audit and audit report, special audits as requested by authorized officials, as well as periodic follow-up on previous audit recommendations. In our opinion, the accomplishments of these objectives, combined with full Government of Guam cooperation, will essentially 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 1974, two annual audits and two annual reports have been completed in the Trust Territory.

Because the Trust Territory Government had 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 accrual basis when possible. No previous financial statements had ever been prepared on the general fund prior to our audit of fiscal year 1974.

In addition, the comptroller's office for Trust Territory has completed three special reports, has initiated managerial-type audits on two of the departments.

During the latter part of fiscal year 1975, a Financial Managerial System team was sent from the Department of the Interior to implement a new financial management and recordkeeping system. At the request of the Department, the Comptroller's office has provided substantial assistance in the designing and implementation of the financial management system.

#### REQUEST FOR FUNDS—TRUST TERRITORY

We have not yet had sufficient experience in the Trust Territory to have a firm estimate of the work load. We do know that our funds of prior years are insufficient to discharge the statutory responsibilities given the Comptroller. The \$250,000 budget and seven spaces requested will, in our opinion, permit us to execute an annual audit and report on both the Government of the Marianas and the government of the remaining districts, satisfy the anticipated requests for systems work, and begin to initiate management audits conducive to placing the programs of the Trust Territory on a three year cycle.

Mr. FAGG. I am sorry, do you want me to read the statement?

#### PERSONNEL

Senator STEVENS. Why don't you just summarize it, or tell us what the highlights are, and why the \$355,000 reduction.

Mr. FAGG. Let's talk about the lapse first. This is due, Mr. Chairman, to an inability to fill my vacancies at the time they have occurred.

Senator STEVENS. What really accounts for the \$400,000 carryover? How does it come about?

Mr. FAGG. This is a carryover from several years, Mr. Chairman, and as I said before, it is explained by the fact that I have not been able to fill all of my personnel vacancies at the time they have occurred.

Senator STEVENS. Are you reducing your overall program in Guam?

Mr. FAGG. Slightly, yes, sir, by \$25,000 less than last year.

Senator STEVENS. Do you have enough authorized positions to do the job there?

Mr. FAGG. Yes, sir, I think so.

Senator STEVENS. Isn't your work increasing in view of recent studies and investigations and everything that is going on out there as far as the trust territory is concerned?

Mr. FAGG. I thought we were speaking of Guam at the present time.

Senator STEVENS. We were.

Mr. FAGG. That budget of \$655,000 is for Guam. Now, it is true that as we proceed with our audit work though, the audit job becomes less difficult as we go through the various cycles. We have audited all of the entities on Guam once, and we are doing it the second time.

Now, it becomes easier the second time around. So I think that the reduction of \$25,000 in our overall budget will not materially hurt us in Guam.

#### TRUST TERRITORY FINANCES

Senator STEVENS. How are you coming along on the financial management system for the trust territory?

Mr. FAGG. As you may or may not know, sir, this is a project by the Department of Interior, the management section. We are assisting the financial management team, by supplying some of the auditors to help them on this work. Right at the moment I have about six auditors who are assisting in this work.

Senator STEVENS. Have you had the kind of cooperation you need from the officials of the trust territory?

Mr. FAGG. Yes, sir, I think so.

Senator STEVENS. Your budget is up about \$25,000 for the trust territory.

Mr. FAGG. Yes, sir.

Senator STEVENS. In view of the increased activities there, do you think that is sufficient?

Mr. FAGG. Hopefully. This \$250,000 is more or less just a figure, Mr. Chairman. We have several unknowns. First of all, we do not

know exactly what our systems work requirement will be in fiscal year 1977. We do not know what reimbursements we will get from the trust territory government for assistance in the systems work. And third, we do not yet have a good handle on the audit work in this very large territory.

#### NEED FOR ANNUAL BUDGET HEARING

Senator STEVENS. Do you have to come into Washington annually anyway, or does this hearing cause you to come in?

Mr. FAGG. This year we spoke of recruitment problems, and this year I was able to do considerable work on our recruitment during the time I have been in for the hearings.

Senator STEVENS. The committee has been considering submitting questions to you for your budget submission. I will ask the staff to discuss that with you. If you are going to come in anyway, we may as well have the opportunity to question directly if necessary. But if you are not going to come in, perhaps we can submit written questions to you.

You seem to be doing so well, that we do not have many questions.

Mr. FAGG. It was rather odd. The Comptroller of the Virgin Islands and myself were in a taxicab on the way over and were just speaking about that same thing, if it would not be more feasible to send us a list of questions and let us reply rather than come in for the committee hearings.

Senator STEVENS. We will keep in contact with you. If you are coming in anyway, I would like to see you.

Mr. FAGG. We are delighted for this opportunity of coming in and meeting with the committee, but I think it would be perhaps an easier way and a better way to do it.

Senator STEVENS. Unless there is something special that is involved, I should think it could be handled by written questions.

Mr. FAGG. This is my opinion, sir.

Senator STEVENS. Thank you very much.

#### GUAM ECONOMIC DEVELOPMENT LOAN FUND

Mr. GALLAGHER. Mr. Chairman, the Governor of Guam and the Director of the Guam Economic Development Authority were unable to come in from Guam to attend today's hearing. On their behalf I wish to state that the Office of Territorial Affairs supports the request of \$1 million for fiscal year 1977 for the Guam economic development fund. If this request is approved this will bring the total appropriated to \$4 million of the \$5 million authorized. I would like to supply for the record a copy of the annual report, and prepared statements of the Governor of Guam and the Director of the Guam Economic Development Authority.

[The information follows:]

GUAM DEVELOPMENT FUND ACT OF 1968  
FISCAL YEAR 1975  
ANNUAL REPORT

During Fiscal Year 1975, Guam Economic Development Authority received from the Department of the Interior the sum of \$500,000 for the Guam Development Fund Act of 1968. The fund is to provide financial assistance through loans and loan guarantees to promote the economic development of the territory by individual private enterprise or industry. As of the end of Fiscal Year 1975, a total of \$2,000,000 has been received by the Authority from the \$5,000,000 program authorization. September 1974, the Authority submitted a budget request of \$1 million for Fiscal Year 1976. Subsequent to budget hearing in March 1975, an amendment to increase from \$1 million to \$3 million for the Guam Development Fund Act of 1968 was requested through Guam's Washington Representative via the Government of Guam.

During the report year, Guam experienced and was hit hard with the economic dilemma such as the oil crisis followed by inflation and recession. These economic forces remain to this reporting and becoming more acute. With a period of reduced economic activities, economic seed money becomes scarce. This program became salvation to some, and to others, input to stimulate economic activities.

Starting the fiscal year, the Authority had seven (7) loan applications carried over from previous year. The Authority approved one (1) loan of the seven (7). The remaining six (6) loan applications were removed to the dormant section due to applicants inactivity to pursue the applications with the Guam Economic Development Authority.

Additionally, the Authority received twenty-four (24) loan applications for the purposes such as, poultry farm, cash crop farming, swine farm, aquaculture (fish and shrimp farming), ceramic products, synthetic marble products for tourism, boat manufacturing, tourist facilities, food processing for Kim Chee factory, hospital facility, asphalt cement plant, etc.

Of the twenty-four (24) loan applications, six (6) loans were approved totaling \$1,295,000 plus one (1) loan received during prior year in the amount of \$300,000.

Recap of loan amounts approved by fiscal year is as follows:

<u>Fiscal Year</u>	<u>Amount</u>
1973	\$ 277,696
1974	320,600
1975	<u>1,495,000</u>
	<u>\$ 2,093,296</u>

Subsequent to the approval of one loan in the amount of \$100,000 and prior to closing the loan documents, the applicant withdrew its loan. Another approved loan during Fiscal Year 1974 in the amount of \$50,000 was cancelled during Fiscal Year 1975 due to applicant prolonged implementation of the project. Withdrawn and cancelled loans not included on the recap. On the remaining eighteen (18) applications, one (1) was disapproved; five (5) removed to dormant section due to applicant's inactivity to pursue the application with the Authority; twelve (12) totaling \$2,236,170 are pending.

APPROVED LOANS

Air Pacific International, Inc. received \$300,000 for air transport service. The major portion of the loan is for the purchase of an aircraft to increase the current operation. This increase will help alleviate the demand for air transport service between Guam and other Marianas Islands.

C & H Farms, Inc. received \$125,000 for egg production. This project will help maintain Guam's status of being independent from imported eggs. The borrower corporation has had several years of experience in egg production.

C.C.B. Enterprise, Inc. received \$50,000 for crop production. The corporation is a family corporation and owns a sizable land. This project is now in conjunction with the Government of Guam's program on agriculture.

Leonard S.N. Paulino, sole ownership, was approved for \$100,000 loan. Immediately after approval of the loan, the borrower withdrew his loan to accept employment with the Government of Guam. A note was not executed and therefore no disbursement was ever made.

Pacific Plastics, Inc. received \$20,000 for manufacturing of synthetic marble products. These products consist of souvenir items mainly for tourists and household furnishing such as, lavatories, bath tubs, kitchen sinks, countertops and table tops. This project will help increase the manufacturing industry of Guam.

Medical Center of the Marianas is a private hospital facility which is a much needed facility for Guam. The borrower received \$500,000 to be utilized as working capital during the construction of the hospital.

Perez Brothers, Inc. received \$500,000 for an asphalt and coral aggregate plant. The loan is for working capital during the construction of the plant. The plant increases the production of these two products and opens competition.

PENDING LOANS

Swine Farm Expansion	\$ 107,470
Boat Building	450,000
Deep Sea Fishing	20,000
Food Processing (Kimchee Factory)	125,000
Tourist Facilities	500,000
Swine Farm Expansion	44,050
Swine Farm Expansion	120,000
Cash Crop Production	10,000
Swine and Beef Slaughterhouse	500,000
Fish and Shrimp Pond	100,000
Fruit Orchard	59,950
Tourist Facilities	<u>200,000</u>
	\$ 2,236,170

GUAM DEVELOPMENT FUND ACT OF 1968  
FISCAL YEAR 1975  
ANNUAL REPORT  
JUNE 30, 1975

1.	Authorized Appropriation, P.L. 90-601		\$ 5,000,000.00
2.	Appropriation, P.L. 93-369, 93-120, & 93-344		<u>2,000,000.00</u>
3.	Balance Authorized Appropriation		\$ <u>3,000,000.00</u>
4.	Appropriation, P.L. 93-369, 93-120, & 93-344		\$ 2,000,000.00
5.	Appropriation Received as of 6/30/75		<u>2,000,000.00</u>
6.	Balance Appropriation Receivable		\$ <u>-0-</u>
7.	Total Other Receipts:		
	A. Interest on Loans	\$ 75,442.86	
	B. Interest on Time Certificates Deposit	81,186.86	
	C. Loan Guarantee Fee	-0-	
	D. Service Charge Fee	9,592.80	
	E. Other	<u>-0-</u>	\$ <u>166,222.52</u>
8.	Total Special Funds & Reserves:		
	A. Sinking Fund	\$ 43,860.87	
	B. Reserve Guaranteed Loan	-0-	
	C. Other	<u>-0-</u>	\$ <u>43,860.87</u>
9.	Total Disbursement:		
	A. <u>Loan</u>		
	1. Agriculture	\$ 218,034.43	
	2. Fishing	-0-	
	3. Tourism	4,830.00	
	4. Back-up Facilities, Comm./Ind.	<u>1,460,157.68</u>	\$ <u>1,683,022.11</u>
	B. <u>Loan Guaranty</u>		
	1. Agriculture	\$ -0-	
	2. Fishing	-0-	
	3. Tourism	-0-	
	4. Back-up Facilities, Comm./Ind.	<u>-0-</u>	\$ <u>-0-</u>
	C. <u>Expenditure</u>		
	1. Salary and Miscellaneous	\$ <u>15,992.24</u>	\$ <u>15,992.24</u>

## 10. Total Loan Commitments:

A. Agriculture	\$	41,566.06	
B. Fishing		-0-	
C. Tourism		-0-	
D. Back-up Facilities, Comm./Ind.		<u>147,982.32</u>	\$ <u>189,548.38</u>

## 11. Fund Balance Available:

A. Appropriation, Beginning of Period			\$ 1,500,000.00
B. Earning, Beginning of Period			107,672.93
C. Loan Principal Repayment, Beginning of Period			<u>4,622.50</u>
			\$ 1,612,295.43
D. Appropriation, Current Period			500,000.00
E. Earning, Current Period			166,222.52
F. Loan Principal Repayment, Current Period			<u>12,494.47</u>
			\$ 2,291,012.42

G. Deducts

## 1. Total Special Funds &amp; Reserves (Item 8)

A. Beginning of Period (Adjusted)	\$	48,068.03
B. Current Period		<u>43,860.87</u>
	\$	91,928.90

## 2. Disbursements

## A. Beginning of Period

1. Loans (Item 9A)	\$	220,725.51
2. Guaranty (Item 9B)		<u>-0-</u>
	\$	220,725.51

## B. Current Period

1. Loans (Item 9A)	\$	1,683,022.11
2. Guaranty (Item 9B)		<u>-0-</u>
3. Expenditure (Item 9C)		<u>15,992.24</u>
	\$	1,699,014.35

3. Loan Commitment (Item 10)	\$	<u>189,548.38</u>	\$ <u>2,201,217.14</u>
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H. Fund Balance			\$ <u><u>89,795.23</u></u>
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GUAM ECONOMIC DEVELOPMENT AUTHORITY  
GUAM DEVELOPMENT FUND ACT OF 1968

REVOLVING FUNDS

BALANCE SHEET

JUNE 30, 1975

ASSETS

CURRENT ASSETS

Cash in Bank	\$	(30,267.44)
Cash in Sinking Fund		22,047.95
Time Certificates of Deposit		250,000.00
Time Certificates of Deposit - Sinking Fund		70,000.00
Accrued Interest Receivable on TCD		1,853.39
Accrued Interest Receivable on TCD - Sinking Fund		<u>757.50</u>
<b>TOTAL CURRENT ASSETS</b>	<b>\$</b>	<b>314,391.40</b>
Direct Loan Receivable		2,076,179.03
Accrued Interest Receivable		65,222.73
Accrued Service Charge Receivable		<u>8,497.13</u>
<b>TOTAL ASSETS</b>	<b>\$</b>	<b><u>2,464,290.29</u></b>

LIABILITIES & CAPITAL

LIABILITIES

Current Liability:		
Due to GEDA	\$	16,838.70
Approved Loan Commitments		189,548.38

CAPITAL

GDFA Revolving Fund		2,000,000.00
Retained Earnings		<u>257,903.21</u>
<b>Total Liabilities and Capital</b>	<b>\$</b>	<b><u>2,464,290.29</u></b>

GUAM ECONOMIC DEVELOPMENT AUTHORITY  
GUAM DEVELOPMENT FUND ACT OF 1968

REVOLVING FUND

STATEMENT OF REVENUE & EXPENDITURES  
AND RETAINED EARNINGS (DEFICIT) AND CAPITAL

JULY 1, 1974 TO JUNE 30, 1975

STATEMENT OF REVENUE AND EXPENDITURES

REVENUE

Interest on Time Certificates of Deposit	\$ 78,625.38
Interest on Time Certificates of Deposit - Sinking Fund	2,561.48
Interest on Notes	75,442.86
Service Charge Fee	<u>9,592.80</u>
	\$ 166,222.52

EXPENDITURES

Salary Expense	15,989.24
Miscellaneous Expense	<u>3.00</u>
Total Expense	<u>15,992.24</u>

Net Income from Operation \$ 150,230.28

CAPITAL & RETAINED EARNINGS

GDFA Revolving Fund, June 30, 1974	\$ 1,500,000.00
Appropriation (P.L. 93-344)	<u>500,000.00</u>
	\$ 2,000,000.00

Retained Earnings, Beginning of Year:

Restricted	\$ 48,068.03		
Unrestricted	53,897.65		
Undistributed	<u>5,707.25</u>	\$ 107,672.93	

Net Income from Operation:

Restricted	\$ 43,860.87		
Unrestricted	81,290.97		
Undistributed	<u>25,078.44</u>	<u>150,230.28</u>	<u>257,903.21</u>

Capital, June 30, 1975 \$ 2,257,903.21

GUAM ECONOMIC DEVELOPMENT AUTHORITY  
GUAM DEVELOPMENT FUND ACT OF 1968

REVOLVING FUNDS  
CASH FLOW

JULY 1, 1974 TO JUNE 30, 1975

RECEIPTS

Prior Year's Balance 6/30/74	\$ 1,380,376.06
Appropriation (P.L. 93-344)	500,000.00
Interest on Time Certificates of Deposit	88,036.74
Repayment of Principal - Notes	12,494.47
Interest on Notes	14,367.68
Service Charge Fee	<u>1,705.68</u>
	\$ 1,996,980.62

DISBURSEMENTS

Direct Loans	\$ 1,683,022.11
Due to E.T. Calvo Memorial Park	2,175.00
Miscellaneous Expense	<u>3.00</u>
	\$ <u>1,685,200.11</u>
<u>CASH BALANCE</u>	\$ <u><u>311,750.51</u></u>

REVOLVING FUND

STATEMENT OF AUTHORIZED APPROPRIATION, TOTAL  
APPROPRIATION & APPROPRIATION RECEIVED  
JULY 1, 1974 TO JUNE 30, 1975

<u>AUTHORITY</u>	<u>APPROPRIATION</u>	<u>APPROPRIATION RECEIVED</u>	<u>BALANCE</u>	<u>AUTHORIZED APPROPRIATION</u>	<u>BALANCE</u>
P. L. 90-601	\$ -0-	\$ -0-	\$ -0-	\$ 5,000,000	\$ 5,000,000
P. L. 92-369	1,000,000	-0-	1,000,000	-0-	4,000,000
U. S. Treasury Check 56,860,838	-0-	500,000	500,000	-0-	4,000,000
U. S. Treasury Check 15,447,199	-0-	250,000	250,000	-0-	4,000,000
U. S. Treasury Check 18,046,233	-0-	250,000	-0-	-0-	4,000,000
P. L. 93-120	500,000	-0-	500,000	-0-	3,500,000
U. S. Treasury Check 72,412,507	-0-	500,000	-0-	-0-	3,500,000
P. L. 93-344	500,000	-0-	500,000	-0-	3,000,000
U. S. Treasury Check 77,574,930	-0-	500,000	-0-	-0-	3,000,000

STATEMENT OF RICARDO J. BORDALLO  
GOVERNOR OF GUAM

Mr. Chairman:

I, Ricardo J. Bordallo, Governor of the Territory of Guam, present a statement on behalf of Guam's request for an appropriation of \$2 million from the Guam Development Fund enacted by Public Law 90-601. Guam, under this law, is authorized to receive \$5 million in loan funds to be utilized in stimulating and broadening the island's economic base. To date, Guam has received a total of \$3 million of the \$5 million authorized, all of which has either been disbursed or committed by the Guam Economic Development Authority, administrator for this program.

The Guam economy is presently in a state of economic recession. High inflation, diminishing government revenues and a decrease in employment have hit the island. The lack of unemployment insurance has added to the social and moral obligations of our island. Adding to this economic distress is the curtailment of U. S. military activities in the Far East which has had a direct and detrimental impact on the local economy. Guam has been heavily dependent upon military spending on the island.

It is the objective of my administration that Guam shift from a consumptive to a productive society. Thus today, more than ever, Guam needs to render assistance and stimulate private enterprises in order to become self-sufficient.

It is apparent that shortage of local capital available for investment, coupled with the economic recession, signify the needs for this Fund. Revenues in the Guam Treasury have not been sufficient to enable Guam to cope with the continued task of reconstruction and expansion of its infrastructure. Small developing areas lacking natural resources, as Guam does, require a substantial infusion of capital for economic development.

The Guam Economic Development Authority, administrator for this program, indicates that of the \$3 million authorized for disbursement covering the periods 1973-1976 (fiscal years), \$1,974,614 has been disbursed, and total committed funds amounted to \$218,682. Applications for loans are still pending totaling a sum of \$2,256,470. Requested for

agriculture is \$526,470, \$45,000 for fishing, and \$700,000 for tourism. Guam's current economic constraints suggest a rather bleak picture for the next two years. There exists an urgent need for Guam to broaden its limited economic base.

In conclusion, Guam does not have sufficient capital to independently finance its present fragile tourist and light industry and to develop its agricultural resources. Besides facing working capital shortages, the lack of basic legal authority has impeded the ability to secure adequate financing and controls that would fully compliment the island's development requirements. For these and other reasons, the entire populace of Guam and I request your favorable action on the \$2 million request for the Guam Development Fund. Thank you.

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STATEMENT OF DAVID D.L. FLORES  
ADMINISTRATOR OF GUAM ECONOMIC DEVELOPMENT AUTHORITY  
GOVERNMENT OF GUAM

Mr. Chairman:

I, David D.L. Flores, Administrator of Guam Economic Development Authority, Government of Guam, present my statement in support of additional appropriation for the Guam Development Fund Act authorized under Public Law 90-601. Under this Act, Guam is authorized to receive \$5M in development capital to be utilized in stimulating and broadening Guam's economic base. To date, Guam has received a total of \$3,000,000, the last appropriation of \$1,000,000 having been received on February 18, 1976.

Following the boom of the early 1970's as the economy started its downward trend, the island began to be subjected to the effects of a receding economy. Drop in revenue, increase in unemployment, uncontrolled inflation plus the non-availability of ready capital to inject into both private and public sector took their toll.

Governor Bordallo ordered a 25% cut on budget expenditures, froze vacancies, and curtailed off-island travel in an effort to halt further government deficit spending.

In this kind of atmosphere, both bank and investor showed reluctance to finance development ventures, thus further weakening an already troubled economy. Gross receipts which is Guam's GIP showed a decline from \$620,810,000 in FY 1974

to \$607,704,000 in FY 1975. The latest data from the Labor Department, Government of Guam, showed total employment was down by 3,700 or 10.3%. Of this employment decline, 1,500 occurred between September to December 1975.

Now, more than at any other time, capital is needed to bolster the island's sagging economy. The recently appropriated amount of \$1,000,000 is already under pressure since it is only able to cover 50% of the applications on hand. In addition, a good number of would-be applicants have approached GEDA in connection with projects in agriculture, tourism, industrial and fishing. Appropriating the total balance of \$2,000,000 of the fund will enable us to not only meet requirements of current applications but new applications as well.

It is with great anticipation that we look forward to your favorable consideration in appropriating the funds so that we can begin to move in the direction of establishing a sound economic base towards the goal of self-sufficiency. Thank you.

GUAM DEVELOPMENT FUND ACT

Guam Development Fund Act: Fiscal year 1976, \$1,000,000, fiscal year 1977, \$2,000,000; increase \$1,000,000. The increase consists of:

<u>Increase (+) or Decrease (-) Amount</u>	<u>Position</u>	<u>Total Program</u>	<u>Total Positions</u>	<u>Explanation</u>
+\$1,000,000	---	\$2,000,000	---	Additional funding for promoting economic development.

Public Law 90-601, "Guam Development Fund Act of 1968" was passed for the purpose of promoting economic development within the Territory of Guam. Through fiscal year 1976 (One Million Dollars was received eight months later during fiscal year 1976), a total of \$3,000,000 has been appropriated and made available to the citizens of Guam for this purpose. This request of \$2,000,000 is to amend and increase by \$1 million the Department of the Interior original request which makes the fifth and final increment of the \$5,000,000 which was authorized by the Act.

All funds to be appropriated under the terms of this Act is being requested to be appropriated in lump sum giving the flexibility to the Board of Directors of Guam Economic Development Authority to entertain and approve loan applications relevant to needs and submission of projects. There is a great shortage of local

capital available for investment on Guam especially at this time of economic downturn. At the present time outside investors still dominate the market. The Guam Development Fund Act was enacted specifically to enable local residents to launch into competitive business enterprises, and to develop aspects of the economy at present needs.

On October, 1975 pursuant to Section 6 of Public Law 90-601, the Annual Report was submitted to the Secretary of the Interior. This Report, in turn, was forwarded to the President of the Senate and the Speaker of the House of Representatives. As of June 30, 1975, of the \$2,000,000 then appropriated, total disbursements \$1,903,748 and loan commitments totaled \$189,548. Pending applications totaled \$1,352,105 which does not include projects contemplated to be received by the Agency between now and throughout fiscal year 1977. See breakdown attached.

GUAM DEVELOPMENT FUND ACT

<u>FY</u>	<u>CATEGORY</u>	<u>LOAN AMOUNT</u>	AS OF 2/29/76 <u>AMOUNT DISBURSED</u>	<u>BALANCE UNDISBURSED</u>
1973		\$ 277,696.00	\$ 248,696.77	\$ 28,999.23
	A. Agriculture			
	Egg Production	\$120,000.00	120,000.00	-0-
	B. Commercial/Industrial			
	Poultry Processing	142,696.00	113,696.77	28,999.23
	C. Tourism			
	Tourist Facilities	15,000.00	15,000.00	-0-
1974		320,600.00	306,060.93	14,539.07
	A. Agriculture			
	Cash Crop	70,600.00	56,060.93	14,539.07
	B. Commercial/Industrial			
	Computer Assembly	250,000.00	250,000.00	-0-
1975†		1,495,000.00	1,391,445.73	103,554.27
	A. Agriculture			
	1) Cash Crop	50,000.00	42,221.48	7,778.52
	2) Egg Production	125,000.00	124,662.48	337.52
	B. Commercial/Industrial			
	1) Air Transportation	300,000.00	205,693.09	94,306.91
	2) Synthetic Marble Production	20,000.00	18,868.68	1,131.32
	3) Hospital Facilities	500,000.00	500,000.00	-0-
	4) Cement Quarry	500,000.00	500,000.00	-0-
1976		100,000.00		
	A. Fishing			
	Fish/Shrimp Pond	100,000.00	28,410.57	71,589.43
	TOTAL -----	<u>\$2,193,296.00</u>	<u>\$1,974,614.00</u>	<u>\$ 218,682.00</u>

GUAM DEVELOPMENT FUND ACT  
CASH FLOW PROJECTION AS OF FEB. 29, 1976

A.	Total Approved Loans		\$ 2,193,296
B.	Total Disbursements		<u>1,974,614</u>
C.	Total Undisbursed Loans		\$ <u>218,682</u>
A.	Total Appropriation to Date		\$ 3,000,000
	Add: Total Revenue from interest on notes & time certificates of deposit & service charge		<u>353,347</u>
			\$ 3,353,347
	Less: Accrued interests & service charge receivable:		
		\$ 159,973	
	Disbursed Loans	1,974,614	
	Undisbursed Loans	218,682	
	Reserved for Sinking Fund	<u>95,713</u>	<u>2,448,982</u>
B.	Projected Cash Flow Ending Feb. 29, 1976		\$ <u>904,365</u>
A.	Total Pending Loan Applications :		
	A. Agriculture		\$ 526,470
	B. Fishing		45,000
	C. Tourism		700,000
	D. Commercial/Industrial/Supportive Facilities		<u>985,000</u>
			\$ 2,256,470
B.	Less: Projected Cash Flow Ending Feb. 29, 1976		<u>904,365</u>
C.	Balance Pending Loans Requiring Funds		\$ <u>1,352,105</u>

GUAM DEVELOPMENT FUND ACT  
PROPOSED UTILIZATION OF FUNDS  
ON PENDING PROPOSALS

A. AGRICULTURE:		
1. Swine Production	\$	271,520
2. Cash Crop Farming		10,000
3. Fruit Orchard		59,950
4. Cash Crop/Fish Pond		<u>185,000</u>
	\$	526,470
B. FISHING:		
1. Salt Water Shrimp		25,000
2. Deep Sea Fishing		<u>20,000</u>
	\$	45,000
C. TOURISM:		
1. Marina/Chapter Boat Services		500,000
2. Photo Processing Plant		<u>200,000</u>
	\$	700,000
D. COMMERCIAL/INDUSTRIAL/BACK-UP SUPPORTIVE FACILITIES:		
1. Boat Manufacturing		250,000
2. Kimchee Factory		125,000
3. Slaughterhouse (Beef & Port)		500,000
4. Chamorro Sausage/Jewelry Factories		<u>110,000</u>
	\$	985,000
TOTAL		<u>\$ 2,256,470</u>

NOTE: The above proposed pending loan amounts does not include prospect of projects contemplated to be received between now and through Fiscal Year 1977.

PENDING APPLICATIONS  
BRIEF DESCRIPTION

## Agriculture

\$ 526,470.00

## 1. Swine Production - \$ 107,470

- a. construction of hog pens
- b. purchase of breeding stocks
- c. feeds and other supplies
- d. working capital

To increase the applicant's current production to help meet the current demand for pork.

## 2. Swine Production - \$ 44,050

- a. construct hog pen
- b. purchase breeding stock
- c. purchase feeds and supplies
- d. purchase equipment

To increase the applicant's current production to help meet the market demand for pork.

## 3. Swine Production - \$ 120,000

- a. construct hog pen
- b. purchase breeding stock
- c. purchase feed
- d. purchase equipment
- e. working capital

To increase the applicant's current production to help meet the market demand for pork.

## 4. Cash Crop Production - \$ 10,000

- a. purchase irrigation equipment
- b. purchase farm supplies such as seeds, fertilizers, pesticides, etc.

## 5. Fruit Orchard - \$ 59,950

- a. purchase farm equipment
- b. purchase farm supplies such as seedlings and chemicals
- c. working capital

The project is for the production of tropical fruits to help reduce imports.

## 6. Crop Production &amp; Fish Pond - \$ 185,000

- a. construct fish pond
- b. purchase farm equipment
- c. purchase farm supplies such as seeds and chemicals
- d. working capital

The project is to cultivate a large area of land for crops and fresh water fish and shrimp.

Fishing \$ 45,000.00

1. Deep Sea Fishing - \$ 20,000

- a. complete construction of boat
- b. purchase fishing equipment
- c. working capital

To complete and equip fishing boat for deep sea fishing around Guam.

β. Ocean Shrimp Trapping - \$ 25,000

- a. boat modification
- b. purchase of shrimp traps
- c. purchase of equipment
- d. working capital

The project is to trap salt water shrimp found around Guam.

Tourism 700,000.00

1. Tourist Facilities - \$ 500,000

- a. drainage and construct a boat marina
- b. construct tourist shop
- c. working capital

The project supports boat, tourist and fishing industries.

2. Tourist Facilities - \$ 200,000

- a. modify building
- b. purchase equipment
- c. working capital

The project is a photo processing plant which caters to the tourist.

Commercial/Industrial/Back-Up Facilities 985,000.00

1. Boat Building - \$ 250,000

- a. construct shop for boat building
- b. purchase materials and tools
- c. working capital

To build boats locally to support tourism and fishing.

2. Food Processing Kim Chee Factory - \$ 125,000

- a. purchase processing equipment
- b. building modification
- c. working capital

To process vegetable into a delicacy introduced from Korea. The project supports agricultural production.

## 3. Swine and Beef Slaughterhouse - \$ 500,000

- a. construct building
- b. purchase equipment
- c. working capital
- d. purchase of livestock from farmers

The project is a combination slaughterhouse and is in support of livestock production.

## 4. Jewelry Manufacturing &amp; Food Processing - \$ 110,000

- a. modify building
- b. purchase of raw materials
- c. working capital

The project is a combination of jewelry manufacturing and processing sausage. The jewelry supports the tourist industry and the sausage processing supports agriculture.

\$ 2,256,470.00  
=====

VIRGIN ISLANDS

STATEMENT OF JAMES A. DEFENBACH, GOVERNMENT COMP-  
TROLLER FOR THE VIRGIN ISLANDS

ACCOMPANIED BY AXEL H. HEIMER, DEPUTY COMPTROLLER

BUDGET ESTIMATE

Senator STEVENS. Mr. Defenbach, you are here in support of your budget, the Government Comptroller for the Virgin Islands. The budget estimate is \$620,000. That is a reduction of \$355,000 from the 1976 appropriation. Your justification is included in part 1 as printed in our record.

PREPARED STATEMENT

We welcome you to the committee, and we would like you to introduce your associate and highlight the statement that you have presented. The full text will be submitted in the record, of course.

[The statement follows:]

(909)

Mister Chairman:

It is indeed a pleasure to appear again before this Committee.

Under Section 17 of the Revised Organic Act of the Virgin Islands, the Comptroller is charged with auditing revenues and expenditures so as to improve the economy and efficiency of the Government of the Virgin Islands (GVI). 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.

In line with our new audit approach of performing comprehensive audits of selected functions in an agency instead of comprehensive audits of entire agencies, we have recently increased significantly the number of reports issued by the Comptroller's Office. During the six months' period July to December 1975, we issued 29 reports containing 316 recommendations which represents an increase of over 100 percent of the 13 reports containing 172 recommendations issued by this office during the entire fiscal year 1975.

In April 1975, we started the audit of the accounting records of the Department of Finance including the revenues and expenditures of FY 1975. As a result of this early start we have been able to analyze the fiscal condition of the GVI as of June 30, 1975, much more accurately than in the past. We will, however, improve our audit as new local government fiscal procedures are implemented. This early start of our audit of the GVI finances has also permitted us to bring promptly to the attention of the GVI many of our findings and has enabled us to prepare the Comptroller's Annual Report for FY 1975 in a record time--almost one month after the GVI released its Annual Report. Our report is now being submitted to the Secretary of the Interior for transmittal to Congress pursuant to Section 17(h) of the Revised Organic Act of the Virgin Islands.

We have instituted a program whereby follow-up audits are made 90 days after the release of the final drafts of our reports to determine the action which has been taken by the GVI to correct the deficiencies and implement the recommendations covered by our reports. This procedure has received the support of the Governor and it is gratifying to see the results revealed thus far in four follow-ups made from October to December 1975. The results of these follow-ups have already been reported to you, Mr. Chairman, through the Director of Territorial Affairs, Department of the Interior.

The work of the Comptroller's Office has significantly contributed to the efficiency and economy of programs of the GVI. Through December 31, 1975, direct measurable benefits to the GVI resulting from the efforts of the Comptroller's Office have exceeded \$23.6 million. Of this amount \$4.6 million covers funds either recovered or not spent during the period July 1, 1974 to December 31, 1975, as a result of inquiries and exceptions issued by our office.

Since its establishment in 1954, the Comptroller's Office has issued over 450 audit reports. Many of the recommendations covered by these

reports have been implemented by the GVI, however, some major ones have not. We estimate that as of December 31, 1975, the government has either lost revenues or incurred unnecessary costs in the total amount of \$29.9 million in the following areas:

	<u>IN MILLIONS</u>
Failure to charge potable water at rates necessary to cover costs	\$ 9.0
Failure to collect for Hospital Services	10.7
Unbilled Real Property Taxes for calendar years 1973 and 1974	2.4
503 Inquiries and Notices of Exceptions and Failures to Collect pending as of December 31, 1975	<u>7.8</u>
	<u>\$29.9</u>

I would like to report, however, that the GVI has taken action to correct some of these deficiencies. In January 1975, the Governor requested that I submit to him monthly listings of the Inquiries and Exceptions issued by our office. The Governor's interest in this matter is resulting in an increase in the funds being recovered by the GVI in this area. Recently, the Governor has also submitted bills to the Legislature of the Virgin Islands which would increase certain local taxes and the selling price of potable water as recommended in reports issued by our office.

Our budgets for Fiscal Years 1976 and 1977 are based on a complement of 36 positions. In view of the comprehensive "in house" effort being made in Systems work by the GVI, we do not plan to fill the three systems accountant positions in our budget, but will replace them with auditor positions. During the latter part of FY 1975, our office has been performing a study of the methods employed by the GVI in paying its creditors. To complete this work we have entered into an IPA agreement with the GVI for a period of six months--the period of time we estimate will be required by the GVI to implement new policies and procedures in connection with the payment of vendor's bills.

We will avoid the payment of over \$36,000 in annual rental costs by remaining in our present rent free quarters at the old Submarine Base in St. Thomas instead of moving into the Federal Building which is in the process of being constructed. We have, however, been required to lease some added space in St. Croix to adequately house the staff of five employees in that branch office.

During FY 1977 our audit activities have been planned to cover functions in many GVI agencies which have not been audited for several years. This will further reduce the backlog of 15,695 man days or 71 man years which we had as of July 1, 1975.

We continue improving our relations with the Territorial Department of Finance in such matters as coordination of audits and availability of records and reports. We also have continued our efforts to maintain good relations with the Governor and other Territorial officials to insure that our mission is accomplished as effectively as possible.

That concludes my formal statement, Mr. Chairman.

## NEW AUDIT POLICY

Mr. DEFENBACH. Thank you, Mr. Chairman. My associate is Mr. Axel Heimer, who is the Deputy Government Comptroller for the Virgin Islands.

With regard to the written statement, Mr. Chairman, that was submitted, I would like to indicate to you that as the result of a new audit policy which I indicated we would establish in my last appearance before this distinguished committee, we have been able to increase our audit production in the Virgin Islands over 100 percent as compared with prior fiscal years.

We are auditing smaller segments of operations as opposed to entire agencies. As a result, I think our audit findings and recommendations are more timely, and as a result, much more helpful to government officials in the Virgin Islands.

We still have a number of problems in the Virgin Islands, three primarily. One is the problem of collection of accounts receivable which has been a perennial problem. Another one is the proliferation of data processing equipment. We have made some recommendations with regard to that.

The third one is yet to be revealed in an audit report soon to be issued. That concerns itself with procurement procedures in the Virgin Islands.

I think in summary, I would have to state to this committee that the government during the past year has taken a number of constructive actions to implement our recommendations and improve their operations.

Senator STEVENS. That is very good. The committee, of course, commends you and your staff on this excellent job. How did you manage to build up such a large unobligated balance in your current year?

Mr. DEFENBACH. Mr. Chairman, similar to what my friend, Mr. Fagg, told you, it is a result of our inability in the past to fill vacancies. As you are probably aware, recruitment in the Virgin Islands has been somewhat of a problem; not only recruitment of new individuals, but retention of individuals after we get them on board. This past year, we have been somewhat more fortunate. We have been able to recruit.

But that is the main cause of it, vacancies.

Senator STEVENS. Is the Governor and the Administration taking advantage of all the suggestions of cost saving measures that your office is bringing forth?

Mr. DEFENBACH. Mr. Chairman, we have every indication that when these audit reports are issued, the Governor or his staff are considering the recommendations, and are instructing department heads to implement those where it is feasible to do so. The past year has been certainly very encouraging.

## OFFICE LOCATION

Senator STEVENS. Are you still at the old submarine base on St. Thomas?

Mr. DEFENBACH. Yes. We ask that we not be moved to the Federal building because it would have cost an additional \$36,000 per year,

which in essence comes out of the local government funds. So in order to avoid that additional expense, we requested that we remain where we are. As far as I know, at this point, we will not be moving.

Senator STEVENS. Which part of the facility do you have down there?

Mr. DEFENBACH. We have the second floor, or part of the second floor, I should say, of the property and procurement building. The quarters are really very adequate.

Senator STEVENS. Yes. I used to be familiar with that. I do not blame you for not moving. It is a nice motive to save the Government money.

#### PERSONNEL

You are going to fill some vacancies this year. Have you been able to do so on this recruitment, or are you participating in recruitment here too?

Mr. DEFENBACH. I am not now at the present time in Washington, D.C., recruiting. I have three people in transit, so to speak. They have been selected and are on their way to the Virgin Islands, which will give us a total staffing level of 32 positions.

We are authorized, as you know, in our present budget for 36 people. So we still have four vacancies to fill. Hopefully, we will be able to do that.

Senator STEVENS. Well, just as with Mr. Fagg, we may submit questions. Maybe next time we will come see you.

Mr. DEFENBACH. We will be delighted to have you, sir.

#### CONCLUDING REMARKS

Senator STEVENS. How long has it been since the Senate Appropriations has been in the Virgin Islands, do you know?

Mr. DEFENBACH. I will have to defer that to my deputy here.

Mr. HEIMER. In 1973, sir, I believe.

Senator STEVENS. In 1973?

Mr. HEIMER. Yes, Sir.

Senator STEVENS. How long has it been since they have been in your area, the Appropriations Committee?

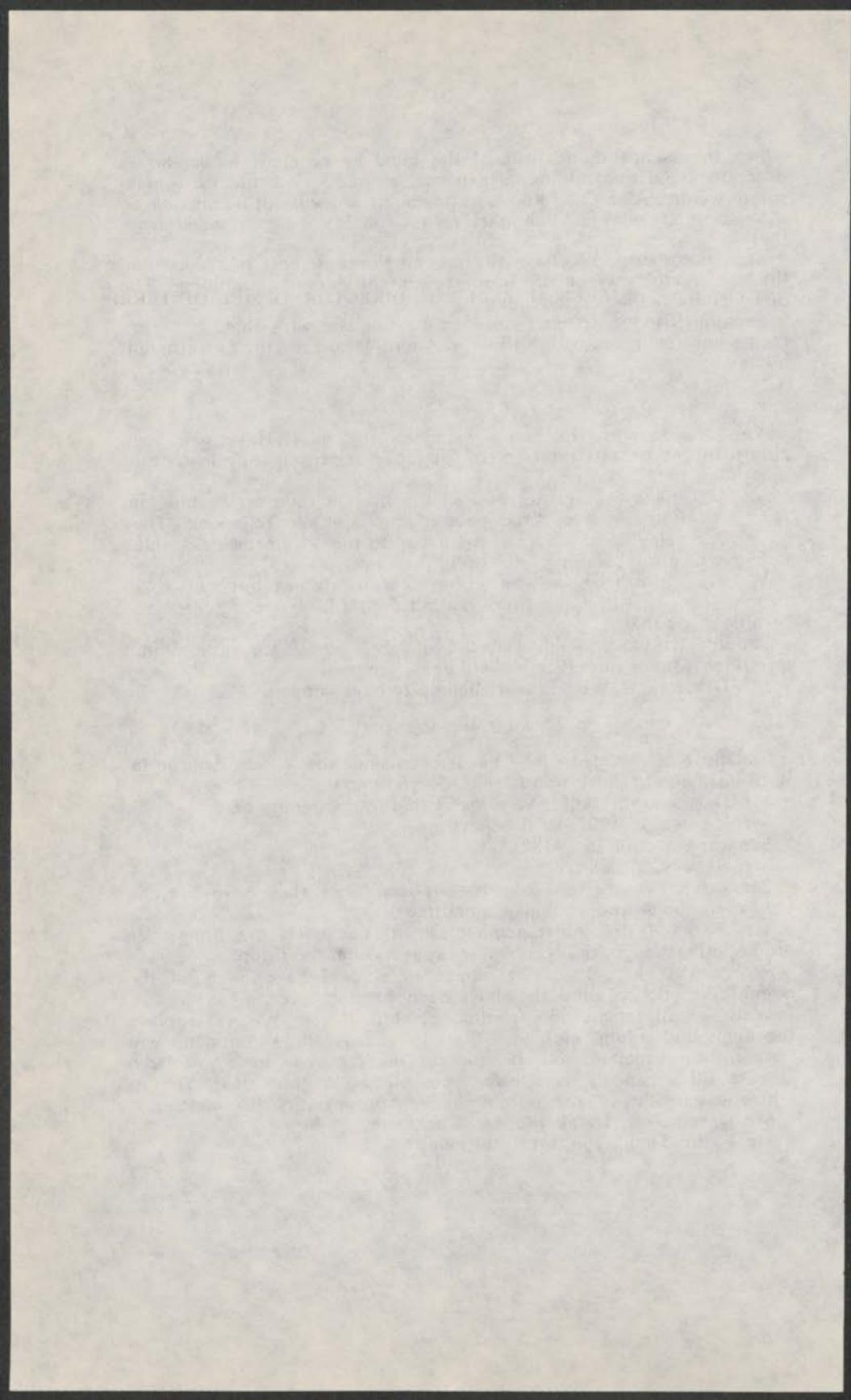
Mr. FAGG. I do not remember, sir, it has been that long. We are hopeful, though, that you will make it soon in the future.

Senator STEVENS. I cannot remember since I have been on the committee; I do not think they have been down in 5 years.

Well, we appreciate your testimony, both of you. We will explore the items and submit more questions to you. Again, I commend you both for an excellent job. In spite of the fact you have not been able to fill vacancies, you have accomplished a great deal. That is a nice way to start off the morning in the Appropriations Committee.

Mr. DEFENBACH. Thank you, Mr. Chairman.

Mr. FAGG. Thank you, Mr. Chairman.



OFFICE OF TERRITORIAL AFFAIRS

STATEMENT OF FRED M. ZEDER, II, DIRECTOR, OFFICE OF TERRITORIAL AFFAIRS

ACCOMPANIED BY:

WILLIAM BETTENBERG, DEPUTY DIRECTOR OF THE BUDGET,  
DEPARTMENT OF THE INTERIOR

HUGH GALLAGHER, BUDGET OFFICER

STATUS OF TERRITORIES

Senator STEVENS. Let's now hear the budget estimates for territorial affairs. For the convenience of witnesses who must travel long distances to attend the hearings, we will cover both the fiscal 1976 supplemental requests and the regular fiscal 1977 budget estimates.

Mr. Zeder, are you here?

Mr. ZEDER. Yes, sir.

Senator STEVENS. Your opening statement is fairly brief, and I would appreciate it if you would read it in full. If you want to highlight it, we will put the full prepared statement in the record, and we will include your biographical sketch as well.

[The statement follows:]

## Biographical Sketch

FRED M. ZEDER II

Director, Office of Territorial Affairs, U.S. Department of the Interior

GOVERNMENT: In June 1975, Zeder was appointed Director of the Office of Territorial Affairs, a department of the U.S. Department of the Interior.

BUSINESS: Zeder has served as chairman of the board, president, and chief executive officer of Hydrometals, Inc., a diversified manufacturing company, whose common stock is traded on the New York Stock Exchange, from 1959 to 1975.

Founded in 1870 as Illinois Zinc Company, Hydrometals was near bankruptcy when Zeder was asked to join the company as president in 1959. Today, Hydrometals is among FORTUNE's "Top 1,000" industrial companies in the U.S., and has successfully converted to diversified manufacture of consumer products from metals milling and mining of earlier days. He was elected to the chairmanship in 1971. Since entering government service, Zeder has been named Chairman Emeritus of Hydrometals.

After completing his duty as a Pacific theatre fighter pilot, Zeder founded Zeder-Talbot Advertising Agency, with offices in Los Angeles and Detroit, in 1947. The agency was later sold, and Zeder joined the New York office of McCann-Erickson Advertising Agency as vice president and marketing director in 1954. In 1956, Zeder co-founded and was named president of Chrysler-Zeder, Inc., an investment and manufacturing concern. Zeder was named to the board of directors of Hydrometals, Inc. in 1958.

Zeder is a founding member of the World Business Council, a former member of the Young Presidents Organization, and is currently serving on the executive committee of the Committee of Publicly Owned Companies.

CIVIC: Involved in a wide variety of civic activities, Zeder was elected to the Dallas City Council from an at-large position in 1971, serving on the non-partisan council until 1973. As a councilman, Zeder represented the city on the National League of Cities Committee on Revenues and Finances and the Dallas County Community Action Board of Directors. During his city council tenure, Zeder chaired or served on a number of council committees dealing with problems ranging from utility regulation to delivery of social services to city hiring practices. Zeder originated and chaired a committee which conducted a long-range study resulting in the development of methods for improving the effectiveness of the city council and city government operations.

As metro chairman of the National Alliance of Businessmen, 1971-1973, Zeder led the most successful Dallas campaign in NAB history. The campaign located thousands of jobs for returning Vietnam veterans, and additional ones for disadvantaged adults and youth.

Zeder is currently a member of the Catholic Foundation of Dallas; of the North Texas Chapter, Arthritis Foundation; of the National Conference of Christians and Jews; of Saint Paul Hospital; of the Catholic Family and Children's Services; the Dallas Symphony; of Mount Saint Michael School, and of the Dallas Civic Ballet Society. Zeder is formerly a member of the board of directors of the Dallas/Fort Worth Regional Airport.

A member of the executive committee of Northwood Institute, Zeder is chairman of the board of trustees of Northwood's Texas campus at Cedar Hill. Zeder is a trustee of Jesuit College Preparatory School, a member of the Board of Development of Bishop College, and former chairman of the Theatre SMJ League.

Additionally, Zeder is past vice president of the Dallas Citizens Charter Association, a former member of the Dallas Assembly, a past chairman of the Connecticut American Red, and a former member of the USIA Selection Board.

Zeder has been active in the Dallas Chamber of Commerce, serving on the Economic Development Council.

PERSONAL:

Born in South Orange, N.J. in 1921, Zeder lived most of his young life in Detroit, Michigan where his father, Fred M. Zeder, Sr., was co-founder and vice chairman of Chrysler Corporation. He graduated from Detroit University School and entered the University of Michigan in Ann Arbor in 1938 as a student in engineering. Interrupting his education in 1941, Zeder enlisted in the Army Air Corps and served in the Pacific theatre during World War II, attaining the rank of captain. Following the war, Zeder remained active in the United States Air Force Reserve, reaching the rank of major, and enrolled in the University of California at Los Angeles to complete his education.

In 1942, Zeder married the former Martha Blood of Detroit, an honor graduate of Wellesley College. The Zeders made their home in Los Angeles until 1949, when they moved to Greenwich, Connecticut. They remained in Greenwich until 1965, moving to Dallas when Zeder relocated Hydrometals, Inc. corporate headquarters in Texas.

The Zeders have five children, two boys and three girls. Fred III, attorney, Seattle, Washington; Howard, plant superintendent, Dallas, Texas; Suzan, doctoral candidate, Florida State University; Melinda, graduate student, University of Michigan; Wendy, sophomore, Southwest Texas State University.

Mr. Chairman:

I am honored to appear before this committee to testify on behalf of the territorial budget requests for Fiscal Year 1977. Since this is my first appearance before this group, I would like to touch on events prior to and since my appointment as Director of the Office of Territorial Affairs in June 1975. Incidentally, since my appointment eight months ago, I have made four individual trips to the territories and have spent more than four months working with the local governments and our people in the territory. I have been in and out of Guam fifteen times.

First, some comments on Guam, American Samoa and the Virgin Islands. None of these territories are doing well. They, like Micronesia, are plagued with the same general problems of financial instability under the impact of the worldwide recession. Traditionally, the territories follow the U.S. economic trends by about a year, so the current improvement being felt in this country has yet to have a significant effect on them.

#### Comptroller, Guam and the Virgin Islands

The FY 1977 funding request for the Comptrollers' Offices in Guam and the Virgin Islands show a decrease of \$344,000 and \$355,000, respectively, from FY 1976. Sufficient carryover balances from FY 1976 are expected to provide adequate total program funding. These unobligated balances have resulted from lapsed dollar savings over a period of years when it was not possible to fully staff either of the offices.

#### Guam

Guam is experiencing severe financial problems caused by the current recession. General fund revenues for Guam have been much less than expected and my office has been working closely with the Governor's staff and the Guam Legislature attempting to find new sources of revenue. We are reviewing the entire local tax structure and suggesting ways to cut expenditures. Alternate methods of financing also are being investigated. The \$1 million request for economic development is a continuation of programs to promote economic development among local investors, particularly in the areas of agriculture, fishing, and tourist development. This FY 1977 request for \$1 million is the fourth increment authorized under P.L. 90-601, Guam Development Act of 1968. The total authorization is for \$5 million.

#### American Samoa

In American Samoa, the financial problems brought about by the recession were increased by the most serious drought in 20 years and by failure of the local power system. Both the power and water problems remain to be solved on a long-range basis, but if the proposed FY 1976 Supplemental request is approved, this should alleviate the current crisis. The \$20.9 million requested for FY 1977 will fund operations programs for education, health services, economic development, port and harbor administration, public safety, legal services, administration, and will provide further funding for capital improvements in water, power, and other selected high priority items. Local revenues collected during FY 1977 will be used primarily to satisfy matching requirement for Federal grant construction programs, and for additional needed local capital improvements and special programs.

### Virgin Islands

Problems in the Virgin Islands closely parallel those of Guam. Five months ago Cyril King, elected Governor of the islands, came to Washington seeking Federal assistance. In cooperation with our Comptroller in Charlotte Amalie, we made a quick on-site study of the Virgin Islands' situation. A number of corrective steps were indicated and Secretary Kleppe detailed these to the Governor, advising him to, in effect, "clean up" his operation before returning to the Office of Management and Budget for funds. To the Governor's credit, he has succeeded in straightening out many of the abuses. Last month, he and members of his staff returned to Washington to make a well-organized, documented and quite persuasive presentation to the Office of Territorial Affairs and to the Office of Management and Budget. As a result, the Governor should be advised before this week is out whether his request for a Federal loan in the amount of \$76 million for a ten-year period will be approved. In 1982, tax shelters granted to Amerada-Hess (the world's largest refiner and the largest single revenue producer in the Virgin Islands) will expire. This will fund the Virgin Islands treasury with tax revenues approximating \$100 million per year. This, along with general, but slow improvement in other sections of the economy, should provide sufficient collateral to service their debt and retire their obligations. Consideration is also being given to leveling a surtax throughout the islands. This would generate around \$5 million in revenue each year.

### Trust Territory of the Pacific Islands

One of the most pressing problems which confronted me upon assuming the directorship of the Office of Territorial Affairs was to evaluate the effectiveness of the administration of our program in the Trust Territory of the Pacific Islands. In accordance with recommendations made by the Senate Committee on Interior and Insular Affairs, which followed that Committee's investigation of the Trust Territory, my first assignment was to organize and direct a task force to carry out an intensive study and analysis of our programs in the Trust Territory of the Pacific Islands. A copy of the report of this task force has been provided to the Committee.

This report supports, in a number of areas, the findings of the Senate Interior and Insular Affairs Committee. It fully documents specific areas of mismanagement, poorly conceived and ineptly executed policies and programs, and raises a number of questions concerning the continuing procedures and practices of this Office. More importantly it provides what we believe will prove to be sound solutions to immediate problems. Further, it offers a realistic appraisal of the seriousness and magnitude of the challenge ahead.

To improve operational efficiency in the Trust Territory we established a three-phase program to (1) Identify and Document the Problem (2) Take Immediate Action and Propose Continuing Action, and (3) Establish Vigorous and Concrete Implementation Procedures.

It was quickly apparent that the biggest single problem in the Trust Territory could be summed up in two words -- inadequate accountability. Corrective action has been taken in eight vital areas.

1. Accounting
2. Legal

3. Priorities
4. Capital Improvements
5. Maintenance
6. Inventory
7. Personnel
8. Decentralization

#### Accounting

We now have a new, fully staffed and operating financial management system both here in the Office of Territorial Affairs and in Saipan. Since January, 1969, "letters have been exchanged, discussions entered into, conferences convened, visits made" and more than three quarters of a million dollars spent with an independent auditing firm to establish the fact that we had an accounting problem and that something needed to be done about it. It is now being done.

#### Legal

We have, in cooperation with the Congress of Micronesia, begun restructuring and rewriting the Trust Territory criminal code. In the future, the law of the Trust Territory will more closely follow United States Federal standards. They will be sterner, more inclusive and more enforceable.

#### Priorities

We have, in cooperation with all district leaders and district administrators, begun establishing a firm and binding list of priorities for capital improvement projects and civic action programs within clearly understood budget restraints. Furthermore, the Micronesians, perhaps for the first time, are facing up to the cold, hard fact that they have only five more years to select and put in place an infrastructure that they, on their own, will be required not only to maintain but also to count on for the revenues required to sustain continuing improvement in the standard of living that Micronesians select and deserve. The preferred choice of life style varies widely between districts. Therefore, in the establishment of priorities each individual district is being given an opportunity to choose the type of infrastructure that in their judgment will best serve their future needs and well being.

#### Capital Improvements

We have signed an agreement with the Department of the Navy giving NAVFAC-OICC the responsibility for contracting and subcontracting capital improvement programs. The many instances of abuse, mismanagement, inefficiency and lack of accountability noted during the Senate committee's investigation and by this Office in its task force should not occur in the future.

#### Maintenance

We have completely redirected the activities and responsibilities of the Department of Public Works in Saipan. They do now and will in the future concentrate their energies and efforts toward the maintenance, repair and servicing of all existing and future capital improvement projects. Training programs are underway to provide Micronesians with

the management capabilities and physical skills necessary to keep their buildings from falling down, their machinery from rusting, their sea and air facilities from collapsing, their communications (telephone and cable services) from breaking down and their roads open. In short-- they are now charged with keeping things operating.

#### Inventory

We have, for the first time in eight years, made a physical inventory of all property and equipment owned by the Federal Government and the Trust Territory and for which they are accountable. New systems and business-like methods for the control of purchases, disposition of inventory and individual accountability for specific items, are being installed.

#### Personnel

We have made a number of changes in key personnel, both in Washington and in Saipan. More will come. The former chief financial officer in Saipan is now stationed here in Washington and is reporting directly to me. A new Public Works Officer has been appointed in Saipan and his function has been redirected. The Director of Transportation and Communications in Saipan has been notified that his contract will be terminated prior to its expiration and a new Acting Director has been selected. The Attorney General in Saipan is being reassigned to another territory in a different capacity. A new Attorney General has been selected. The Director of Planning in Saipan has been notified of the early termination of his contract and we are in the process of selecting his replacement.

In Washington, in addition to my appointment as Director of Territorial Affairs, we have added a Special Assistant reporting directly to me whose primary assignment is financial matters of Micronesia. Two other financial management staff members were added--a Program and Budget Auditor and a Supervisory Auditor. We are in the process of hiring two experienced specialists to assist the Office of Territorial Affairs with our expanded responsibilities to create a viable economic development capability not only in Micronesia, but throughout the territories.

#### Decentralization

We have, with the cooperation and approval of the Congress of Micronesia and all district leaders, begun a most comprehensive and sweeping program designed to decentralize the headquarters complex on Saipan. The following functional departments now operate out of headquarters. These are similar to Departments of the U.S. Government and are headed by cabinet officers called Directors:

- Financial
- Health Services
- Public Affairs
- Education
- Resources and Development
- Public Works

## Personnel

## Transportation and Communications.

Total operations expenses approximate \$20 million a year. There are over 700 people employed. In 1975, 642 of these were Micronesians and 95 were American GS employees. It is estimated that when fully implemented, the decentralization program will eliminate as many as 500 of these positions. Studies are being conducted to find employment for these people in the private sector. There does not appear to be any problem of identifying jobs and qualifying individuals for future reemployment.

Under the program for decentralization of the headquarters, the executive function, that is, the High Commissioner and his immediate staff, will be trimmed down but left intact. The administrative function--the day-to-day operational personnel, will be relocated throughout the territory. They will be staffed with only those numbers of qualified individuals absolutely necessary to carry out their specific mission.

It is estimated that it will take about two years to complete this transition. In the interim, it is imperative that we begin immediately to educate and train Micronesians for the type of employment that will be available to them in the private sector.

Now I would like to address myself to the future. My remarks and observations will deal primarily with Micronesia; however, the same general conclusions will, in many instances, apply to the other territories as well--Guam, American Samoa, and the Virgin Islands.

Last week during my testimony before the House Congressional Appropriations Subcommittee, expressions were made indicating some reservations about a statement in my report on conditions in the Trust Territory. This report was prepared in July of last year. At that time I said: "In short, the hard facts are that the Congress of Micronesia can realistically anticipate future gross revenues of only about \$2 to \$3 million per year. There is simply no way the expenses of running the government, providing government services and maintaining an infrastructure can continue to operate without a huge and continuing capital commitment from the U.S. On their own, they are bankrupt."

Nothing that I have seen since, nor anything I have heard in all the optimistic rhetoric, or in the \$5 million worth of studies that have been done, would lead me to alter that judgment. Our appraisal of the present and future state of the economy of Micronesia was not then, nor is it now, an "off the cuff" observation. Tourism, copra production, agriculture, livestock, commercial fishing and handicrafts by themselves or combined will not generate enough cash flow to provide the present or projected funds necessary to support the government at a level commensurate with past or future demands. The only viable business opportunity on the horizon is the proposed superport at Palau. This gigantic oil storage and transfer station funded by Iranian and Japanese interests is of the magnitude that is needed. Mineral exploration and the possibility of a refining capability similar to the Amerada-Hess operation in the Virgin Islands are also possibilities. These are the facts--whether we like them or not. It is about time we faced up to them.

Let's get the record straight. It costs, at a bare minimum, more than \$50 million a year to run the government of the Trust Territory--to provide government services and maintain the infrastructure. It has been noted that in 1977, local revenues are expected to total \$8.6 million. This may be an optimistic figure and it has been somewhat misrepresented. The fact is that of this anticipated \$8.6 million, 38% must be immediately returned to the districts and cannot be used to support the ever-increasing government obligation. Of the remaining \$5.4 million, almost \$3.1 is earmarked to fund the Congress of Micronesia and its activities. This brings us back to precisely what I have said before. We only have a total income of \$2.5 million to run a \$50 million-plus government.

Now let's face up to the future. It has been estimated that the cash producing crops, tourism programs and other income-generating activities of the Micronesian economy can perhaps net about \$15 million per year. This figure, it must be remembered, is reinforced by an economy which is bolstered by United States grant funds of around \$85 million annually. Without this assistance, the \$15 million gross national product would almost certainly be substantially reduced. It should be clear that even with the effect U.S. grants have on the local economy, there exists a very real and alarming deficit of over \$35 million a year.

I repeat--on its own, Micronesia is bankrupt.

At this point, I would like to make a personal comment. Essentially, I am an optimist by nature. What success I have had in the business world has taught me the value of being a realist. Ye shall know the truth and the truth shall make ye free. This certainly applies in our quest for the solution to the problems we have throughout the territories. There are answers to these questions. There are solutions. Let us be realistic and we shall find them.

MAJOR ECONOMIC OR ECONOMIC RELATED STUDIES COMMISSIONED BY THE U.S. GOVERNMENT AND TRUST TERRITORY GOVERNMENT ON TRUST TERRITORY OF THE PACIFIC ISLANDS SINCE 1946

Note: (During U.S. Naval Administration of the TTPI, 1946-51, considerable sums were expended by the U.S. Navy in logistic support for the hundreds of scientific studies that were conducted during this period. Monetary costs of this support is difficult to arrive at but in most cases it far exceeded actual expenditures by other Government agencies and participating institutions.)

1946. "Economic Survey of Micronesia"  
By U.S. Commercial Company, a subsidiary of the Reconstruction Finance Corporation.

Support costs by U.S. Navy.....	\$250,000
Reconstruction Finance Corp.....	\$250,000
	<u>\$500,000</u>

(This study produced 20 volumes on geography, botany, soils, water resources, studies on economy of each district, live-stock surveys, nutrition, mineral resources, etc. Over 25 scientists participated on a full-time basis.)

- 1946-1951. Mapping & Geological Survey

(Project mapped Ex-Mandated Islands, geological surveys, mineral resources, soils, etc. A six-year program supported by U.S. Naval Research, War Department, U.S. Army, Corps of Engineers, U.S. Geological Survey.)

Estimated cost of 6-year program to U.S. Government.....	\$1,000,000
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1948. Fisheries Studies

Supported by Fish & Wildlife, U.S. Navy  
U.S. Public Health Services

Estimated costs to participating Government agencies.....	\$300,000
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1948. School of Naval Administration Handbook

Produced under U.S. Navy auspices.

Estimated cost.....	\$125,000
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1947-1948. CIMA PROJECT. "Co-ordinated Investigation of  
Micronesian Anthropology.

(43 scientists were involved and 35 major reports  
produced.)

Grant from Office of Naval Research.	\$100,000
Support costs to U.S. Navy.....	\$250,000
Support costs to Participating Gov- ernment agencies and institutions..	<u>\$350,000</u>
Estimated cost.....	\$700,000

1949-1951. SIM PROJECT "Scientific Investigation of  
Micronesia."

(Over 20 scientists involved and 25 major reports  
produced on reef studies, hydrology, marine  
ecology, botany, forestry, soils & agriculture,  
geology, geography, etc.)

Support costs from U.S. Navy.....	\$250,000
Grants & U.S. support from Participating institutions.....	<u>\$250,000</u>
Estimated cost.....	\$500,000

1947-1951. ICCM PROJECT "Insect Control Committee for  
Micronesia Research Projects

(Over 15 scientists participated. 20 major  
reports produced on control of insects, etc.)

Support from U.S. Navy.....	\$100,000
Pacific Science Board.....	<u>\$200,000</u>
Estimated cost.....	\$300,000

1948-1950. CCM PROJECT "Conservation Committee for  
Micronesia"

(Reports and research on conservation, effects  
of phosphate mining, groundwater studies, etc.)

Pacific Science Board Department of Agriculture, Interior, etc...	\$100,000
Support costs by U.S. Navy.....	<u>\$100,000</u>
Estimated cost.....	\$200,000

1951. "Planning Micronesia's Future"

(Team of experts prepared analytical summary of  
U.S. Commercial Company's Economic Survey of  
Micronesia.)

Estimated cost.....	\$50,000
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1952.	<p>"An Economic Perspective of the TTPI" by Donald J. O'Connor</p> <p>(Commissioned by TTPI Government.)</p> <p style="text-align: right;">Estimated cost..... \$10,000</p>
1954.	<p>"Commercial Problems in the TTPI Following Termination of the Island Trading Company" by Stanford Research Institute</p> <p>(Commissioned by High Commissioner.)</p> <p style="text-align: right;">Estimated cost..... \$25,000</p>
1963.	<p><u>SOLOMAN REPORT</u></p> <p>(Report by the U.S. Government Survey Mission to the TTPI) Vol. I-III. (Vol. I classified.) (Vol. II. The Economic and Social Development of Micronesia)</p> <p style="text-align: right;">Estimated cost to U.S. Government..... \$300,000</p>
1966.	<p><u>THE NATHAN REPORT: Economic Development Plan for Micronesia, 3 volumes</u></p> <p>(Done on contract for TTPI.)</p> <p style="text-align: right;">Estimated cost.... \$250,000</p>
1968-73.	<p>PLANNING PROJECTS. Hawaii Architects &amp; Engineers</p> <p>(Done on contract to TTPI Government. 10 volumes, 7 on Districts, 3 on Sub-districts.)</p> <p style="text-align: right;">Cost to TTPI..... \$750,000</p>
<p>TOTAL ESTIMATED COSTS OF ABOVE STUDIES..... \$5,000,000</p> <hr style="width: 10%; margin-left: auto; margin-right: 0;"/>	

## VIRGIN ISLANDS

Senator STEVENS. Would you please introduce those you wish to have at the witness table with you. We would be happy to have your presentation. We want to make sure with regard to your request that we keep the questions pertaining to the supplemental separate from the 1977 request, because they must be printed in this budget.

Mr. ZEDER. Thank you, Mr. Chairman. I am honored to appear before this committee to testify on behalf of the territorial budget requests for 1977.

I will, in view of the fact that we do have a time problem, leave some of my remarks for the record, particularly because of Guam and the Virgin Islands. Our comptrollers have already brought you up to date, and you do have the Governor of American Samoa here.

But I would like to just point out that I have, since my appointment 8 months ago, made four individual trips to the territories. I have spent more than 4 months working in the territories with the local governments. I would like to touch on some updated information for you on the Virgin Islands.

Five months ago Cyril King, the elected Governor of the Islands, came to Washington seeking Federal assistance, and in cooperation with our comptroller in St. Thomas, we made a quick on-site study of the Virgin Island situation.

A number of corrective steps, that the Chairman referred to a few minutes ago, were indicated, and Secretary Kleppe detailed these to the Governor, advising him to clean up his operation before returning to the Office of Management and Budget for funds.

The Governor, to his credit, has succeeded in straightening out many of the abuses. Last month, he and members of his staff returned to Washington to make a well-organized, documented and quite persuasive presentation to the Office of Territorial Affairs and to the Office of Management and Budget. As a result, the Governor should be advised before this week is out whether his request for a Federal loan in the amount of \$76 million for a 10-year period will be approved.

In 1982, tax shelters granted to Amerada-Hess, the world's largest refiner and the largest single revenue producer in the Virgin Islands, will expire. This will fund the Virgin Islands treasury with tax revenues approximating \$100 million per year. This, along with general, but slow improvement in other sections of the economy, should provide sufficient collateral to service their debt and retire their obligations.

Consideration is also being given to leveling a surtax throughout the islands. This would generate around \$5 million in revenue each year.

## TRUST TERRITORY OF THE PACIFIC ISLANDS

Now, I would like to move onto the trust territory if I may. One of the most pressing problems which confronted me upon assuming the directorship of the Office of Territorial Affairs was to evaluate the effectiveness of the administration of our program in the Trust Territory of the Pacific Islands. In accordance with recommendations made by the Senate Committee on Interior and Insular Affairs, which followed that committee's investigation of the trust territory, my first

assignment was to organize and direct a task force to carry out an intensive study and analysis of our programs in the Trust Territory of the Pacific Islands. A copy of the report of this task force has been provided to the committee.

This report supports, in a number of areas, the findings of the Senate Interior and Insular Affairs Committee. It fully documents specific areas of mismanagement, poorly conceived and ineptly executed policies and programs, and raises a number of questions concerning the continuing procedures and practices of this office. More importantly it provides what we believe will prove to be sound solutions to immediate problems. Further, it offers a realistic appraisal of the seriousness and magnitude of the challenge ahead.

To improve operational efficiency in the trust territory we established a three-phase program to: (1) identify and document the problem; (2) take immediate action and propose continuing action; and (3) establish vigorous and concrete implementation procedures.

It was quickly apparent that the biggest single problem in the trust territory could be summed in two words—inadequate accountability. Corrective action has been taken in eight vital areas: accounting, legal, priorities, capital improvements, maintenance, inventory, personnel, and decentralization.

#### ACCOUNTING

We now have a new, fully staffed and operating financial management system both here in the Office of Territorial Affairs and in Saipan. Since January 1969, letters have been exchanged, discussions entered into, conferences convened, visits made and more than three quarters of a million dollars spent with an independent auditing firm to establish the fact that we had an accounting problem and that something needed to be done about it. It is now being done.

Two, legal. We have, in cooperation with the Congress of Micronesia, begun restructuring and rewriting the trust territory criminal code. In the future, the law of the trust territory will more closely follow U.S. Federal standards. They will be sterner, more inclusive and more enforceable.

#### PRIORITIES

We have, in cooperation with all district leaders and district administrators, begun establishing a firm and binding list of priorities for capital improvement projects and civic action programs within clearly understood budget restraints.

Furthermore, the Micronesians, perhaps for the first time, are facing up to the cold, hard fact that they have only 5 more years to select and put in place an infrastructure that they, on their own, will be required not only to maintain but also to count on for the revenues required to sustain continuing improvement in the standard of living that Micronesians select and deserve. The preferred choice of life style varies widely between districts. Therefore, in the establishment of priorities each individual district is being given an opportunity to choose the type of infrastructure that in their judgment will best serve their future needs and well-being.

## CAPITAL IMPROVEMENTS

We have signed an agreement with the Department of the Navy giving NAVFAC-OICC the responsibility for contracting and subcontracting capital improvement programs. The many instances of abuse, mismanagement, inefficiency and lack of accountability noted during the Senate committee's investigation and by this Office in its task force should not occur in the future.

## MAINTENANCE

We have completely redirected the activities and responsibilities of the Department of Public Works in Saipan. They do now and will in the future concentrate their energies and efforts toward the maintenance, repair and servicing of all existing and future capital improvement projects.

Training programs are underway to provide Micronesians with the management capabilities and physical skills necessary to keep their buildings from falling down, their machinery from rusting, their sea and air facilities from collapsing, their communications, telephone and cable services from breaking down and their roads open. In short, they are now charged with keeping things operating.

## INVENTORY

We have, for the first time in 8 years made a physical inventory of all property and equipment owned by the Federal Government and the trust territory and for which they are accountable. New systems and businesslike methods for the control of purchases, disposition of inventory and individual accountability for specific items, are being installed.

## PERSONNEL

We have made a number of changes in key personnel, both in Washington and in Saipan. More will come. The former chief financial officer in Saipan is now stationed here in Washington and is reporting directly to me. A new public works officer has been appointed in Saipan and his function has been redirected. The Director of Transportation and Communications in Saipan has been notified that his contract will be terminated prior to its expiration and a new acting director has been selected.

The Attorney General in Saipan is being reassigned to another territory in a different capacity. A new Attorney General has been selected. The Director of Planning in Saipan has been notified of the early termination of his contract and we are in the process of selecting his replacement.

In Washington, in addition to my appointment as Director of Territorial Affairs, we have added a special assistant reporting directly to me whose primary assignment is financial matters of Micronesia. Two other financial management staff members were added, a program and budget officer and a supervisory auditor.

We are in the process of hiring two experienced specialists to assist the Office of Territorial Affairs with our expanded responsibilities to create a viable economic development capability not only in Micronesia, but throughout the territories.

## DECENTRALIZATION

We have, with the cooperation and approval of the Congress of Micronesia and all district leaders, begun a most comprehensive and sweeping program designed to decentralize the headquarters complex on Saipan. The following functional departments now operate out of headquarters. These are similar to departments of the U.S. Government and are headed by cabinet officers called directors. They are: financial, health services, public affairs, education, resources and development, public works, personnel, and transportation and communications.

Total operations expenses approximate \$20 million a year. There are over 700 people employed. In 1975, 642 of these were Micronesians and 95 were American GS employees. It is estimated that when fully implemented, the decentralization program will eliminate as many as 500 of these positions. Studies are being conducted to find employment for these people in the private sector. There does not appear to be any problem of identifying jobs and qualifying individuals for future reemployment.

Under the program for decentralization of the headquarters, the executive function; that is, the High Commissioner and his immediate staff, will be trimmed down but left intact. The administrative function, the day-to-day operational personnel, will be relocated throughout the territory. They will be staffed with only those numbers of qualified individuals absolutely necessary to carry out their specific mission.

It is estimated that it will take about 2 years to complete this transition. In the interim, it is imperative that we begin immediately to educate and train Micronesians for the type of employment that will be available to them in the private sector.

## FUTURE OF MICRONESIA

Now, I would like to address myself to the future. My remarks and observations will deal primarily with Micronesia; however, the same general conclusions will, in many instances, apply to the other territories as well—Guam, American Samoa, and the Virgin Islands.

Last week during my testimony before the House Congressional Appropriations Subcommittee, expressions were made indicating some reservations about a statement in my report on conditions in the trust territory. This report was prepared in July of last year. At that time I said: "In short, the hard facts are that the Congress of Micronesia can realistically anticipate future gross revenues of only about \$2 to \$3 million per year. There is simply no way the expenses of running the government, providing government services and maintaining an infrastructure can continue to operate without a huge and continuing capital commitment from the United States. On their own, they are bankrupt."

Nothing that I have seen since, nor anything I have heard in all the optimistic rhetoric, or in the \$5 million worth of studies that have been done, would lead me to alter that judgment. There is a list attached to this statement. Our appraisal of the present and future state of the economy of Micronesia was not then, nor is it now, an off the cuff observation.

Tourism, copra production, agriculture, livestock, commercial fishing and handicrafts by themselves or combined will not generate enough cash flow to provide the present or projected funds necessary to support the government at a level commensurate with past or future demands. The only viable business opportunity on the horizon is the proposed superport at Palau. This gigantic oil storage and transfer station funded by Iranian and Japanese interests is of the magnitude that is needed. Mineral exploration and the possibility of a refining capability similar to the Amerada-Hess operation in the Virgin Islands are also possibilities. These are the facts, whether we like them or not. It is about time we faced up to them.

#### OPERATING COSTS AND REVENUES

Let's get the record straight. It costs, at a bare minimum, more than \$50 million a year to run the government of the trust territory—to provide government services and maintain the infrastructure. It has been noted that in 1977 local revenues are expected to total \$8.6 million. This may be an optimistic figure and it has been somewhat misrepresented.

The fact is that of this anticipated \$8.6 million, 38 percent must be immediately returned to the districts and cannot be used to support the ever-increasing government obligation. Of the remaining \$5.4 million, almost \$3.1 million is earmarked to fund the Congress of Micronesia and its activities. This brings us back to precisely what I have said before. We only have a total income of \$2.5 million to run a \$50 million-plus government.

Now, let's face up to the future. It has been estimated that the cash-producing crops, tourism programs and other income-generating activities of the Micronesian economy can perhaps net about \$15 million per year. This figure, it must be remembered, is reinforced by an economy which is bolstered by the U.S. grant funds of around \$85 million annually.

Without this assistance, the \$15 million gross national product would almost certainly be substantially reduced. It should be clear that even with the effect U.S. grants have on the local economy, there exists a very real and alarming deficit of over \$35 million a year.

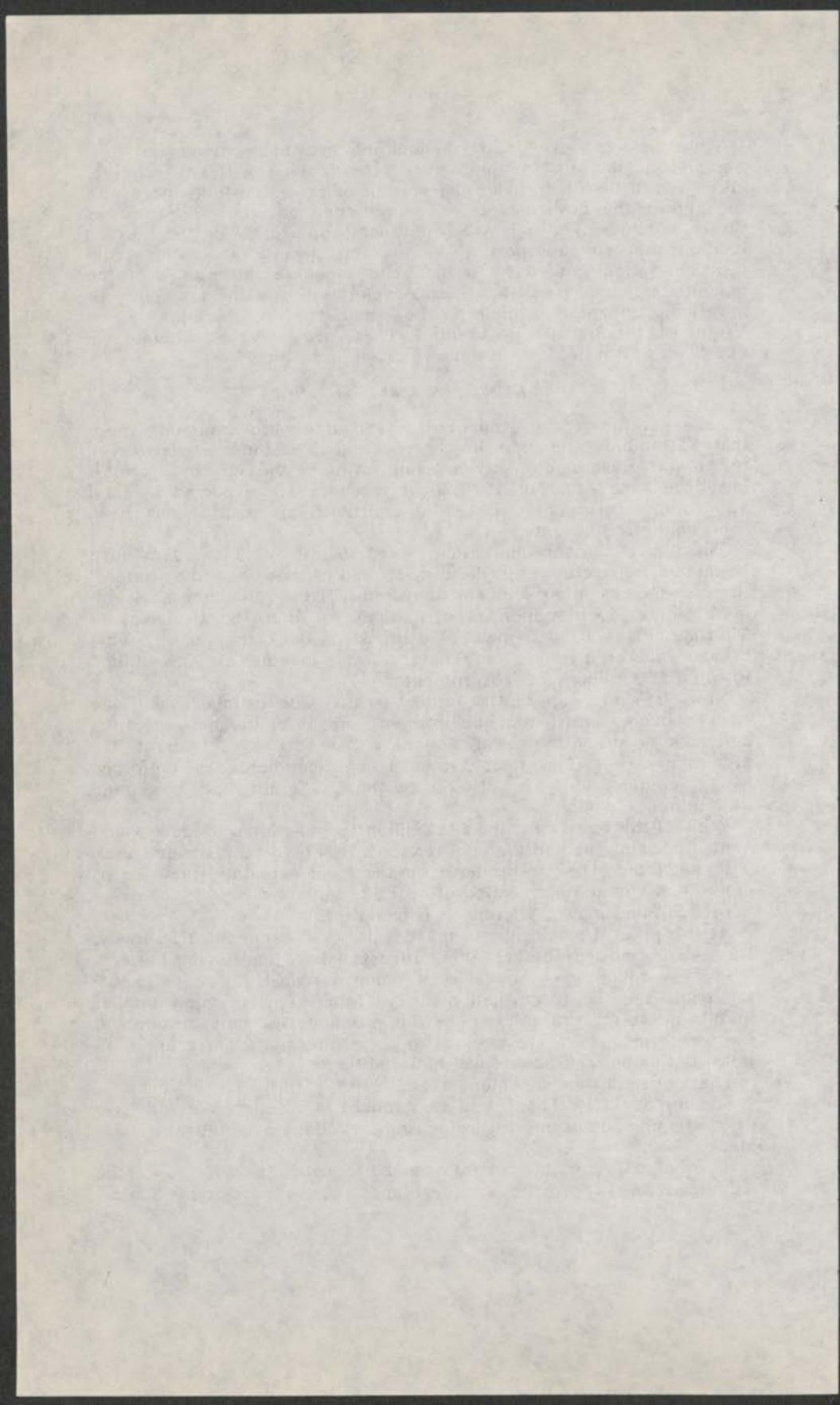
I repeat, on its own, Micronesia is bankrupt.

At this point, I would like to make a personal comment. Essentially, I am an optimist by nature. What success I have had in the business world has taught me the value of being a realist. "Ye shall know the truth and the truth shall make ye free." This certainly applies in our quest for the solution to the problems we have throughout the territories. There are answers to these questions. There are solutions. Let us be realistic and we shall find them.

That concludes my statement.

Senator STEVENS. Thank you very much, Mr. Zeder. We will have some detailed questions regarding some of the comments you have made.

In order to keep this record straight though, let's first go to the Administration of Territories request, and begin with American Samoa.



AMERICAN SAMOA

STATEMENT OF EARL B. RUTH, GOVERNOR, AMERICAN SAMOA  
ACCOMPANIED BY:

MEL WHITE, BUDGET OFFICER

SALANOA S. P. AUMOEUALOGO, PRESIDENT OF THE SENATE

TE'O J. FUAVAI, SPEAKER, HOUSE OF REPRESENTATIVES

SENATOR FOFO I. F. SUNIA, CHAIRMAN, SENATE BUDGET AND  
APPROPRIATIONS COMMITTEE

REPRESENTATIVE IOSEFO K. IULI, CHAIRMAN, HOUSE BUDGET  
AND APPROPRIATIONS COMMITTEE

BUDGET ESTIMATE

Senator STEVENS. Let's move now to 1977 budget request for American Samoa. It totals \$20.8 million, which is about \$800 million below appropriations to date. If we include pending supplementals, however, the 1977 request is nearly \$5 million under the 1976 request.

Governor Ruth, if you have an opening statement, we would be pleased to put it in the record if you want to summarize it. We would be happy to have you do that.

[The statement follows:]

Mister Chairman, before addressing our fiscal year 1977 budget request, I would like to bring the Committee up date regarding the pertinent events which have taken place since I last appeared before you.

In March of 1975, when I testified in defense of the fiscal year 1976 budget estimates for American Samoa, we were facing a budget deficit for fiscal year 1975 of over \$10 million. As you are aware, this deficit was the result of a disastrous shortfall in anticipated fiscal year 1975 local revenues, primarily in the area of corporate income tax payments from the two local tuna canneries, Star-Kist and Van Camp. In a series of budget reductions, fiscal year 1975 basic operating programs were cut back from \$24.4 million to \$21.1 million, planned capital improvements intended to be locally financed from \$8.8 million to less than \$3 million, and matching funds for other Federal grant programs from \$1.2 million to approximately \$300,000.

In order to reduce fiscal year 1975 expenditures to the required levels, severe reductions in personnel were necessary. When I arrived in American Samoa in February of 1975, there were approximately 4,700 government employees. Since that time, almost 600 local personnel have been terminated through reduction-in-force procedures. Through attrition, government payrolls have been further reduced by another 700 employees. Almost 1,100 full-time personnel were on reduced working hours during the latter part of fiscal year 1975. Fortunately, many of the local people who were affected by the reduction-in-force were provided temporary unemployment assistance and job training through funding received under the Comprehensive Employment Training Act (CETA) administered by the Department of Labor. Total government employment (not including CETA personnel) is now slightly over 3,400. To further reduce personnel costs, in-grade salary increases and promotions for both contract and local personnel were frozen effective March 1, 1975. To date, this freeze remains in effect. Even after these drastic measures, additional program reductions and personnel layoffs were avoided only by the receipt, during June of 1975, of a \$900,000 Congressional supplemental appropriation, for which I am extremely grateful.

During the latter part of fiscal year 1975, it became increasingly evident that major improvements to our electrical power and water systems were critically needed. Funding for this work was not available, and to worsen matters, our local revenue picture

continued to deteriorate. At the time of the fiscal year 1976 budget hearings, local revenues anticipated to be collected during fiscal year 1976 were estimated at \$10.9 million. In June 1975, these estimates were reduced to \$8 million, and further lowered in August to \$3.9 million.

In April of 1975, I submitted to the Department of the Interior a proposed fiscal year 1976 budget amendment request for additional funding to cover costs of the needed power and water systems improvements, and for an increase in Federal financing of basic operating programs in order to free local revenues for use as matching funds for other vitally needed Federal grant capital improvement programs. In August 1975, after cutting back planned fiscal year 1976 programs intended to be locally financed by \$4.5 million, it was necessary to submit a second amendment proposal requesting still further Federal funding of operating programs to partially offset the latest shortfall in estimated fiscal year 1976 local revenues.

To date, fiscal year 1976 Federal appropriations for American Samoa total \$21 million. Of this amount, \$7 million will finance electrical power and water systems improvements, and together with a \$3 million grant from the Office of Housing and Urban Development, will enable us to make major strides toward providing adequate electrical power and water service to the people of American Samoa. In addition, pending before you is a supplemental request totaling \$4,740,000 for additional Federal funding of basic operating programs, both to offset the reduction in local revenues and to free local revenues for use as matching funds, and for further needed improvements to our electrical power systems. Without additional operating funds, the majority of our basic operating programs cannot be financed beyond March of this year.

In fiscal year 1977, we are again requesting Direct Congressional Appropriations to finance the Governor's Office and the Judiciary Branch of the Government. Department of the Interior grant-in-aid funds are requested for education, health services, economic development, port and harbor administration, public safety, legal services, administration, and selected high-priority capital improvements programs. Local revenues collected during fiscal year 1977 will be used to complete funding needs of basic operating programs, satisfy matching requirements of other Federal grant programs, and finance additional needed capital improvement and special programs.

The overall increase in operating program funding of \$523,000 including local revenue represents the net amount required to reinstate in-grade salary increases for local personnel during fiscal year 1977, and to provide for increased pay costs of Federal personnel. In the area of capital improvements, Federal financing is requested primarily for further electrical power and water systems improvements. For the most part, local capital improvement funds will be used as matching funds for other Federal grant capital improvement programs including sewer, road, and seawall construction, the resurfacing of our airport runway, and other water system improvements.

In closing, Mr. Chairman, I would like to express the appreciation of myself, members of my staff, the President of our 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 us in American Samoa whenever your schedule might permit. Mr. Chairman, this concludes my formal statement.

Thank you.

#### GOVERNOR RUTH'S GENERAL STATEMENT

Governor RUTH. A brief summary would be that for 1977 we have requested \$25 million. The Office of Management and Budget had authorized \$20,862,000, which is the figure you just mentioned. In the meantime, the Office of Management and Budget has considered that the \$1,623,000 additional amount which we are asking for, for our roads program, could be considered, which would make our total \$22,485,000.

Senator STEVENS. I am sure you know that we have shared your concern over the economic crisis that you have had out there, and we have added \$7 million for the current year.

The question we have now is whether this is a sufficient budget request or whether we will again face another supplemental request even with this.

Governor RUTH. I feel if we get the additional \$1,623,000 that we have requested, bringing this up to \$22,485,000, then we should be able to make it on the 1977 budget. Increasing the 1976 supplemental will help a great deal because, of course, this is like a pyramid. Any time you put in a project it is very helpful for the future.

#### APPLICATION OF LOCAL REVENUES

Senator STEVENS. I would like to ask you to give us a statement here for the record as to how much you are going to free up in local revenues under this process for 1977 too. Have you concentrated on that in terms of 1977?

Governor RUTH. Yes, sir.

Senator STEVENS. We don't need to go into that now, but give us a statement showing what your anticipated local revenues are and what the proposal is to apply them.

[The information follows:]

#### INTENDED APPLICATION OF FISCAL YEAR 1977 ANTICIPATED LOCAL REVENUES

Category	Amount
Basic Operating Programs.....	\$2,803,000
Capital Improvements.....	826,000
Special Programs:	
Claims & Damages Fund.....	100,000
Small Village Project Fund.....	50,000
Search & Rescue Operations.....	15,000
Water Transportation to North Shore.....	21,000
Maintenance of Ofu Airport.....	12,000
Grant Match.....	2,413,000
Total Anticipated Local Revenues.....	6,240,000

Senator STEVENS. Do you other gentlemen at the table concur in this presentation too?

Mr. SUNIA. Yes, sir.

Senator STEVENS. Have you any problems with it? Are you asking for anything that is not in this budget request?

Mr. SUNIA. For fiscal 1977?

Senator STEVENS. That is what we are talking about now.

Mr. SUNIA. No.

Senator STEVENS. All right.

The Governor asks us to increase to \$22.4 million. Governor?

Governor RUTH. To \$22,485,000, yes, sir.

#### EMPLOYMENT LEVELS

Senator STEVENS. What will be the level of your government employment under this as compared to the predrought level? I understand it is about 25 percent below, is that correct?

Mr. SUNIA. Yes.

Senator STEVENS. How about employment losses to canners? What is the level of employment at the canneries?

Mr. WHITE. Sir, about a year ago, the total employment level within the canneries was about 2,100. This is now about 50 percent lower. They have dropped down to approximately 1,400 employees. This figure includes both the employment at Star-Kist and Van Camp,

the tuna canneries, and American Can. American Can will close at the end of this fiscal year.

Senator STEVENS. What are the jobless people doing out there? How are you handling that problem?

Mr. WHITE. Over the past year, quite a few of these people have been employed under the Comprehensive Employment Training Act, CETA, receiving both direct employment assistance, and also financial assistance within a training environment. Presently, approximately 200 people are under CETA working both within the government and also in the private sector.

Senator STEVENS. What is the gross unemployment amount, do you know? How many unemployed people do you have?

Governor RUTH. We do not have that statistic.

Senator STEVENS. You can give it to us for the record.

Governor RUTH. I would like to add—

#### EMPLOYMENT IMPACT OF BUDGET

Senator STEVENS. Will this budget change that estimate at all? Is there any reemployment involved in this budget?

Governor RUTH. There will be some reemployment from the standpoint that these people who have been carried on CETA will be picked up as the budget permits and put back on the regular payroll. A lot of this budget cut and a lot of unemployment has been the result of people who have left the island and left their job, and we have not hired anybody to take them back.

Other than that original cut, to meet the payroll some time ago, we have not made any other cuts. When we came upon this last crisis, I thought we would come up with sufficient funds to cover the shortage from what we were not going to get from the canneries, and we did not lay anybody off. The only layoff came about a year ago when I first got there, when we had to do it to meet the payroll.

Senator STEVENS. Won't there be some employment generated by the wharf project, the highway project, these matching funds, and things that we are doing here?

Governor RUTH. Yes, sir.

Senator STEVENS. Have you calculated what level of employment will come about if we do follow your request for this additional money?

Mr. WHITE. Sir, let me take a couple of minutes here. I have those employment figures now.

Within the territory, the total work force is estimated at about 9,100 people. There are presently about 3,400 people working for the Government of American Samoa, not counting about 200 personnel employed under CETA. Private sector employment is about 4,100, including those working at the canneries and American Can. Total unemployment is 1,600, approximately 17 percent.

Now, we have within the government approximately 300 vacant positions. Assuming that our supplemental request is approved for fiscal year 1976, and our full request for 1977, we would be filling the majority of those positions.

As far as employment increases as a result of construction projects if the construction request goes through, I would say these projects

would add somewhere between 400 to 500 people to the employment rolls, at least for the period of the construction projects themselves. Total Government employment, for fiscal year 1977, would then be approximately 3,900 to 4,000.

#### LOCAL REVENUE ESTIMATE

Senator STEVENS. I see. Now, you have a funding level that shows a \$2.3 million growth in local revenues. Is that a firm estimate?

Mr. WHITE. This is the best estimate we have right now, sir. We have some real problems in trying to estimate local revenues. For one thing, in the private sector in Samoa, it is essentially a one-industry economy. Everything rides on how well the two canneries do. If Star-Kist and Van Camp do well, they pay more taxes and we do well. If they don't do so well, then we don't do very well.

We are estimating an increase in local revenues from 1976 to 1977. We presently estimate \$3.9 million local revenues for 1976, \$6,240,000 local revenues for 1977. Now, we are going to have to take a hard look at this revenue figure for 1977 over the next few months. It might be necessary to reduce this, depending upon what the situation turns out to be.

One thing that hurt us in 1976 was that the two canneries, plus a couple of other smaller corporations, Standard Oil and our branch of the Bank of Hawaii, carried over some pretty sizable tax credits into 1976. Essentially, in paying estimated taxes in fiscal 1975, they overpaid and these amounts will be applied as credits to any tax they would normally pay in 1976. These credits have deprived us of fiscal year 1976 tax dollars, to a great amount.

We hope we will not have tax credits carrying over from 1976 to 1977.

We are also anticipating that the fishing will improve. At least we hope it will not worsen. The \$6.2 million might be an optimistic estimate. Like I say, we will have to take a hard look at that figure during the next few months.

Senator STEVENS. If it is wrong, then we will have another series of reprogramming requests, won't we?

Mr. WHITE. We have a little bit of flexibility. Within our total budget proposal at this time, we have about \$830,000 in local revenues, out of the \$6.2 million, programmed for other capital improvement projects. However, these are not our priority capital improvement projects, and could be deferred if the local revenue estimates are reduced.

Senator STEVENS. Would you say that is a conservative estimate of local revenues?

Mr. WHITE. The \$6.2 million?

Senator STEVENS. Yes.

Mr. WHITE. With the information we have now, this is our best estimate.

Governor RUTH. It is not a conservative estimate, no. It is trying to be realistic. We did miss our conservative estimate this year. So far, the tax rebate is what tore us down, Mr. Chairman, the tax credit. Maybe I had better explain to you. As the fishing fleet decreased and the canneries, they were involved in sort of a paternal

operation where they outfitted the boats and gave the men on the boats so much money for their families while they were gone. A great number of them just went over the hill. They got outfitted and just went on back home, they did not go out and fish. And yet, they claimed this as a loss in their taxes. They just put us way behind. They cost us a couple of million dollars.

#### EXPLANATION OF BUDGET JUSTIFICATIONS

Senator STEVENS. I see.

What is this in your program where you show personnel increases under reduced funding and use the phrase, "offset by program reduction"? Now, how do program reductions bring about personnel increases?

Mr. WHITE. One thing I might say at this time, sir, our 1977 justifications are somewhat distorted by the comparison between 1976 and 1977, in that the 1976 figures do not include the amounts requested in our permanent reprogramming. The 1976 figures do not include the operations portion of our supplemental request for fiscal year 1976.

For this year, our increase from 1976 to 1977—I am talking of only operating programs—is about \$520,000. This is basically the amount required to reinstate step increases, salary increases for local personnel. Approximately one year ago, the Governor was forced to freeze all step increases in-grade salary increases for local personnel, renewal bonuses for contract personnel, and also all promotions. This freeze has been in effect for 1 year. We have programed funds for these increases into the 1977 budget. Effective October 1, all those local people, who have for over a year now not received step increases, would receive them in 1977. This is essentially an the increase from the 1976 to 1977 operating budget.

Senator STEVENS. I understand that the two budgets do not subtract the full amounts, but then again I don't see how you use the phrase "offset by program reductions" in order to show a personnel increase.

Mr. WHITE. That is poor phrasing, sir. That is not really what we meant.

Senator STEVENS. How did that come about? In your programs how do you get a personnel increase when you had a program decrease?

Mr. WHITE. As I said, within our justifications in the 1976 figures, the dollar amounts do not include the reprogramming for 1976 or the supplemental request for operations in 1976. These departments, with funds they have available for 1977, several of them are adding personnel. They are also reinstating step increases for local personnel.

Since our supplemental request is not yet a reality, when we submitted our fiscal year 1977 justification, it had to be written with the 1976 figures excluding the supplemental request for operations in 1976 and also our reprogramming.

#### OFFICE FURNITURE AND EQUIPMENT

Senator STEVENS. What about the furnishings and equipment? Why do we have to buy office furniture and equipment now?

Governor RUTH. The main reason we had to do it is we had the need a year ago, and we stopped all purchases regardless of need. Just like we stopped so many of our projects where we had matching funds, and you get a terrible loss when you do anything like this.

So you can imagine for a period of almost a year, where you made no purchases and where you stopped all projects, then you go back and pick them up; and without certainty of these furniture and other things, if we don't buy them now, we will really be in bad shape. Because we will not have them completely.

#### PRIOR YEAR LOCAL FINANCING OF CAPITAL IMPROVEMENTS

Senator STEVENS. Tell us about this capital improvement budget. I understand before the drought that almost all of the capital improvements were financed by local revenues.

Governor RUTH. There was not any question about that because our local revenues totaled pretty close to \$15 million at that time. The canneries were doing extremely well.

In fact, I was not there, but I hear that some of these people from the legislature can tell you that the Governor was saying, "You people need to pass some bills and spend some of this money." Is that correct, gentlemen?

Senator STEVENS. Do you gentlemen have any comments about the 1977 budget request as far as the legislature is concerned? Up to the additional amount of \$22.4 million, does that meet your approval?

Mr. IULI. Yes, sir.

Senator STEVENS. Are there any priorities in the difference between the actual budget request and the \$22.4 that the Governor mentioned? If you are going to add anything on here, what is your top priority for the legislature as to what we should add?

Mr. IULI. Besides the supplemental?

#### ROAD PROGRAM FUNDING NEEDS

Senator STEVENS. We are talking about the regular budget now for 1977. The Governor tells us there are some amounts in excess of the \$20.8 million. I think it is about \$1.6 million in addition to that.

What will that cover, Governor?

Governor RUTH. About \$987,000 of that is road money for which we have no match, with which we would repair the current road system and build some roads into the villages and the like. Of that, \$636,000 is for matching programs, a road program, which the Federal Highway Department gives us about 70 percent. That is what that is.

Senator STEVENS. A 30-70 match?

Governor RUTH. I think the 30-70 is the match, yes. That is a project which we started and which we discontinued during this freeze a year ago.

Senator STEVENS. I take it the matching fund money will be your first priority since that will bring about the construction effort?

Mr. IULI. Yes, sir.

Senator STEVENS. Do you agree with that from the Senate side?

Mr. SUNIA. Yes, sir.

## BUDGET DEVELOPMENT

Senator STEVENS. It would appear from the budget development table that you originally requested about \$5 million more than OMB allowed. What was involved in that \$5 million?

Governor RUTH. Our original planning allowance for fiscal year 1977 Interior budget authority was \$25 million. Not including an add-on of \$28,000 to finance additional Federal pay costs during fiscal year 1977, our request was reduced by \$4,166,000, to \$20,834,000. Our request for operating program funding was reduced from \$18,385,000 to \$16,976,000, a cut of \$1,409,000. This forced us to shift \$1,409,000 of anticipated local revenues from our grant match program to operations to maintain the necessary operating program level. The remainder of the reduction from our original request for fiscal year 1977 was a cut in Interior budget authority directly for capital improvements. Of our original request, \$25 million, \$6,615,000 was proposed for capital improvement projects. This request was cut back to \$3,858,000, a reduction of \$2,757,000. These tables that I have here will show the programs that were eliminated.

[The information follows:]

## GRANT MATCH FUNDS ELIMINATED FROM FISCAL YEAR 1977 BUDGET

Agency (purpose of grant)	Federal funds available	Local match	Total cost
Department of Commerce—EDA (graving dock—Marine Railway)	\$657,000	\$73,000	\$730,000
Department of Transportation—FHA (road construction)	1,479,000	636,000	2,115,000
Army Corps of Engineers (small boat harbor—Aunuu)	1,015,000	255,000	1,270,000
Department of the Interior—BOR (recreational facilities)	50,000	50,000	100,000
Department of Justice—LEAA (completion of new police station)	350,000	350,000	700,000
Department of Justice—LEAA (design of new correctional facility)	38,000	38,000	76,000
Health, Education, and Welfare—PHA (improvements to hospital dispensaries)	65,000	7,000	72,000
Totals	3,654,000	1,409,000	5,063,000

## INTERIOR BUDGET AUTHORITY ELIMINATED FROM FISCAL YEAR 1977 BUDGET

Program	Estimated cost
Roads construction (non-FHA)	\$987,000
Container storage yard	305,000
Maintenance and operation shops (Public Works)	300,000
Maintenance and construction equipment	265,000
Housing renovation (contract employee quarters)	100,000
New fire station	500,000
High school gymnasium	300,000
Total estimated costs	2,757,000

## CONSTRUCTION FUNDING

Senator STEVENS. What additional funding would seem to be required to maintain some kind of economic stability during this difficult period?

Governor RUTH. At this point, my primary concern is obtaining financing for our fiscal year 1977 road construction program. One of the capital improvement programs eliminated from our original fiscal year 1977 proposal was an item of \$987,000 for the badly needed repaving of approximately 8 miles of our main highway, realignment of a dangerous curve in the main highway at Malaeimi in the Western District, and for paving of several village roads. The Federal Highway Administration will not share costs of this work, and local revenues will not be available during fiscal year 1977. In addition, FHA funds of \$1,479,000, for other road construction, will be available to us in fiscal year 1977; however, we will not have sufficient local revenues to meet the matching requirements of \$636,000. If we could obtain an additional \$636,000 Interior budget authority for operating programs, this would free a like amount of local revenues for use as local matching funds necessary to receive the \$1,479,000 FHA funding. I would greatly appreciate your consideration of these two additional requests.

## EDUCATION

Senator STEVENS. It appears that education continues to take a beating in your 1977 budget—total funding down almost \$500,000 from the original 1976 appropriation. Aside from the television cut-back, what will this do to the ongoing education program?

Governor RUTH. The proposed fiscal year 1977 budget for the Department of Education totals \$5,528,000 including requested Interior budget authority of \$4,992,000 and local revenues of \$536,000. Actually, this budget represents an increase of \$169,000 over the revised fiscal year 1976 budget for Education after consideration of our fiscal year 1976 reprogramming proposal. I believe that a total fiscal year 1977 program of \$5,528,000 for the Department of Education is adequate, particularly in light of our overall funding limitations and the other needs of the territory.

Senator STEVENS. Wouldn't you rank education as more important than some of the other government programs being increased?

Governor RUTH. Yes, sir, I do. Our proposed fiscal year 1977 budget reflects this feeling in two ways. First, the requested \$169,000 budget increase over fiscal year 1976 for the Department of Education is the largest increase proposed for any department's operating budget in fiscal year 1977. Second, considering all sources of funding—Interior budget authority, local revenues, and operating program grants from other Federal agencies, the proposed fiscal year 1977 budget for the Department of Education represents 34 percent of the total fiscal year 1977 operating budget for the government.

## CAPITAL IMPROVEMENTS

Senator STEVENS. Governor Ruth, the predrought program was based on funding capital improvements from local revenues entirely. When do you estimate American Samoa will be able to return to that financing plan?

Governor RUTH. That is extremely difficult to judge, sir. During past years, the bulk of our local revenues have been derived from corporate income taxes. Of course, our two tuna canneries, Star-Kist and Van Camp, pay the largest percentage, by far, of total corporate taxes. Until new major industry can be attracted to American Samoa, the tuna canneries will continue to represent our largest potential source of increased local revenues. If the fish catch in the local water does not improve significantly, enabling the canneries to become more profitable and thus greater taxpayers, and new industries do not materialize, it will probably be many years before our capital improvement program can again be entirely financed by local revenues.

Senator STEVENS. Your funding summary shows \$826,000 in local funds budgeted for capital improvements. What will that money be used for?

Governor RUTH. Those funds are planned to be used for various programs as indicated on this list. Of course, these programs are based upon the assumption that we will collect \$6,240,000 in local revenues. If our fiscal year 1977 local revenues fall short of this level, we will be forced to reduce these programs accordingly.

[The information follows:]

FISCAL YEAR 1977 CONSTRUCTION PROJECTS TO BE FUNDED BY LOCAL REVENUE	
<i>Program</i>	<i>Estimated Cost</i>
Education:	
Multipurpose facility—classrooms, dining area, and kitchen	\$218,000
Playcourts—elementary schools	21,000
Band instruments—high schools	75,000
Musical instruments—elementary schools	40,000
Community library	103,000
Transportation, Communications, and Power: Harbor improvements	50,000
General Government: Rehabilitation of Lee Auditorium	40,000
Public Safety:	
Fire protection system—Central Administration Building	75,000
Sidewalks	43,000
Street lights	6,000
Police and fire equipment	155,000
Total Estimated Costs	826,000

#### CATEGORICAL GRANTS

Senator STEVENS. How much Federal support in the form of categorical grants do you expect will be available for the 1976 and 1977 capital improvement programs? For what purpose?

Governor RUTH. The Federal grants which we anticipate receiving for capital improvements in fiscal year 1976 and fiscal year 1977 are \$7.5 million and \$5.0 million, respectively. The specific list of projects I will submit for the record.

Senator STEVENS. The total funding for capital improvements goes down in 1977, as we have noted. What kind of projects are being deferred?

Governor RUTH. Due to the \$4,166,000 reduction in Interior budget authority from our original request of \$25,000,000, the projects listed in this schedule were necessarily deferred. I will also submit that for the record.

Senator STEVENS. Also, please supply for the record a listing of the highest priority projects that had to be dropped from the budget and the estimated amounts needed for them. Include enough supporting data to permit a committee analysis.

Governor RUTH. Yes, we will provide that.

[The information follows:]

ESTIMATED CATEGORICAL GRANTS  
FOR CONSTRUCTION

FY 1976 CAPITAL IMPROVEMENT GRANTS

Agency (Purpose of Grant)	Federal Funds	Local Match	Total Cost
(1) Department of Housing and Urban Development (Water systems improvements)	\$3,000,000	---	\$3,000,000
(2) Department of Transportation-FHA (Road construction)	1,545,000	662,000	2,207,000
(3) Army Corps of Engineers (Seawall construction)	454,000	454,000	908,000
(4) Environmental Protection Agency (Sewer construction)	2,475,000	825,000	3,300,000
(5) DOI--National Park Service (Exterior renovation of Courthouse)	24,000	24,000	48,000
Totals	<u>\$7,498,000</u>	<u>1/1,965,000</u>	<u>9,463,000</u> 1/

FY 1977 CAPITAL IMPROVEMENT GRANTS

(1) Department of Commerce-EDA (Water systems improvements)	\$ 338,000	\$ 112,000	\$ 450,000
(2) Environmental Protection Agency (Sewer construction)	1,462,000	488,000	1,950,000
(3) Army Corps of Engineers (Small boat harbor--Auasi)	950,000	---	950,000
(4) Army Corps of Engineers (Seawall construction)	695,000	695,000	1,390,000
(5) Department of Transportation-FAA (Resurface airport runway)	2,516,000	839,000	3,355,000
Totals	<u>\$5,961,000</u> 2/	<u>2,134,000</u>	<u>8,095,000</u> 2/

1/ Does not include Federal or local share of four projects cut by OMB from original supplemental request.

2/ Does not include FHA funding of \$1,479,000 which will be available if local matching funds of \$636,000 can be provided.

FY 1977 PROJECT DEFERRALS

Program	DOI Request	Other Grants	Local Match	Total Cost
Graving Dock--Marine Railway	\$ ---	657,000	73,000	730,000
Road Construction	987,000	1,479,000	636,000	3,102,000
Small Boat Harbor--Aunuu	---	1,015,000	255,000	1,270,000
Recreational Facilities	---	50,000	50,000	100,000
Completion of New Police Station	---	350,000	350,000	700,000
Design of New Correctional Facility	---	38,000	38,000	76,000
Improvements to Hospital Dispensaries	---	65,000	7,000	72,000
Container Storage Yard	305,000	---	---	305,000
Maintenance and Operation Shops	300,000	---	---	300,000
Maintenance & Construction Equipment	265,000	---	---	265,000
Housing Renovation	100,000	---	---	100,000
New Fire Station	500,000	---	---	500,000
High School Gymnasium	300,000	---	---	300,000
Totals	<u>\$ 2,757,000</u>	<u>3,654,000</u>	<u>1,409,000</u>	<u>7,820,000</u>

THE HIGHEST PRIORITY PROJECTS WHICH HAD TO BE DROPPED FROM  
FY'77 BUDGET, RANKED BY PRIORITY, ARE AS FOLLOWS:

1. Road Construction (FHA, \$1,479,000; local match, \$636,000; DOI budget authority, \$987,000).

Federal Highway Administration funds of \$1,479,000, requiring a local match share of \$636,000, will be available to American Samoa in FY'77. A total FHA/local funded program of \$2,115,000 would finance construction costs of two roads on Tutuila, Fagali'i to Fagamalo (approximately four miles) and Amouli to Aoa (approximately five miles), a causeway connecting the two Manua Islands of Ofu and Olosega (approximately 1-1/2 miles), an eight-mile road connecting the villages of Ta'u and Fitiuta on Ta'u, largest of the Manua Islands, repair of a major bridge on the main highway at Pago Pago, and numerous highway safety programs. An additional \$636,000 of Interior budget authority for operating programs would be needed in order to free local revenues of the same amount for use as matching funds for these projects as required by FHA.

In addition, further road work is needed beyond these projects which can be partially financed by FHA funding. The main paved highway which runs along the entire southern portion of Tutuila is approximately 10 years old. Several sections of this highway are badly in need of resurfacing. Many of the roads branching from the main highway to the larger villages are barely accessible, and need to be upgraded. Further, as the original roads constructed in American Samoa were built to "horse and buggy" standards, corrections must be made to improve safety. During FY'77, local revenues will not be available to finance this needed work. Additional Interior budget authority of \$987,000 is required as follows:

<u>Work Feature</u>	<u>Estimated Cost</u>
Resurface main highway (approx. 8-mile section)	\$ 550,000
Realign Malaeimi curve	50,000
Pave Fagatogo roads and provide drainage	80,000
Construct sidewalk along main highway (main dock to hotel)	25,000
Pave Pago water tank access road	60,000
Pave Aua loop road	50,000
Pave Gatawai loop road	50,000
Pave Faga'alu village road	50,000
Pave Happy Valley road	50,000
Pave Satala road behind powerhouse	22,000
Total Estimated Costs	<u>\$ 987,000</u>

2. Maintenance and Construction Equipment (DOI budget authority, \$265,000).

There is a continuing need to acquire new maintenance and construction equipment to replace older equipment which becomes inoperable or too expensive to maintain. The Support Services Division of the Department of Public Works is the only integrated construction operation in the territory, and provides equipment and products for construction, ship unloading, and maintenance to other GAS organizations, and to contractors and individuals within the private sector. It is necessary to maintain a good serviceable amount of construction and maintenance equipment to meet not only capital improvement and operations requirements, but also for emergency and disaster situations. Much of the presently owned equipment was obtained from military surplus sources. Additional Interior budget authority of \$265,000 would be required to purchase the following equipment:

<u>Description</u>	<u>Estimated Cost</u>
<b>Construction Equipment:</b>	
Mobile crane (1)	\$ 65,000
Dump trucks (3)	70,000
Mixer Truck (1)	30,000
Road grader (1)	35,000
<b>Maintenance Equipment:</b>	
Backhoe (1)	18,000
Air compressor (1)	6,000
Jack hammer (1)	1,500
Spare pumps (5)	16,000
Spare motors (5)	15,000
Sewage rodder (1)	5,000
6" Trash pump (1)	3,500
<b>Total Estimated Costs</b>	<b><u>\$ 265,000</u></b>

3. Container Storage Yard (DOI budget authority, \$305,000).

The shipping lines servicing American Samoa are increasingly utilizing containers in efforts to increase operating efficiency and reduce the amount of vessel time spent in port. Due to limited space, terminal facilities at the main dock are inadequate for storage of the large number of containers awaiting pick-up by the next vessel of that shipping line. When several shipping lines are involved, sorting and separation of the containers creates further problems. Of necessity, containers are often placed in hazardous locations, and are required to be relocated several times before being placed on a returning vessel.

In FY 1977, additional Interior budget authority of \$305,000 would be needed to construct a paved container storage yard covering approximately one acre of land. Two older GAS housing units located adjacent to the main dock would be torn down to accommodate the storage yard.

4. Housing Renovation (DOI budget authority, \$100,000).

The Government of American Samoa presently owns and maintains over 200 housing units for contract and U.S. Civil Service personnel. Many of these quarters were constructed during the U.S. Navy administration, and are in major need of renovation (particularly structural) or the units will shortly become unusable. Current replacement costs are estimated at approximately \$50,000 to \$60,000 per unit. Funding limitations for FY 1977 have precluded the construction of any new units. Additional Interior budget authority of \$100,000 would be needed to renovate 20 existing units at an average per unit cost of \$5,000.

5. Maintenance and Operation Shops (Interior budget authority, \$300,000).

For several years, it has been planned to consolidate the construction and maintenance shops in Tafuna (Western District) and relinquish the present M&O shops at Satala (Eastern District) to the Electric Utility for much needed shop and storage space. These facilities were designed during FY 1975, but construction funds have not been available due to the sharp reductions in local revenues during FY 1975 and the low levels now estimated for FY 1976.

To house the M&O shops, a pre-fabricated shop building of approximately 15,000 square feet would be erected in Tafuna, and access to the building site and yard area would be paved. Additional Interior budget authority is required as follows:

<u>Description</u>	<u>Estimated Cost</u>
Site preparation	\$ 5,000
Acquisition of building and installation	284,000
Access and yard area paving	11,000
Total Estimated Costs	<u>\$ 300,000</u>

#### WATER SYSTEM

Senator STEVENS. Along with the \$3 million HUD grant, it would appear a total of \$7.5 million is being expended in the current year for the water system. Now you are requesting another \$1.8 million. Will this complete the water system improvements?

Governor RUTH. The present total available funding for water systems improvements in fiscal year 1976, along with our \$1,888,000 request for fiscal year 1977, will allow us to make major strides toward solving the water problems of the territory. However, additional funding will be needed in the future for further water system improvements. I will provide that information showing estimated costs for fiscal year 1978, 1979, and 1980.

[The information follows:]

Water Systems  
Estimated Program for FY 78, FY 79, and FY 80

<u>Program</u>	<u>Estimated Costs</u>		
	<u>FY'78</u>	<u>FY'79</u>	<u>FY'80</u>
1. Well drilling	\$ 150,000	\$ 150,000	\$ 150,000
2. Transmission pipeline:			
Pago Bay area	290,000	1,150,000	50,000
Logo Puna system	215,000	---	445,000
Western District	70,000	125,000	190,000
Aoloau area	---	---	240,000
Lauli'i area	---	---	480,000
3. Distribution pipeline:			
Tafuna area	130,000	---	---
Western District		275,000	50,000
4. Storage facilities:			
Tafuna area	---	175,000	---
Futiga area	520,000	---	---
Leone area	675,000	---	---
Amanave area	---	---	120,000
Aoloau area	---	---	110,000
Lauli'i area	---	---	190,000
5. Surface catchments:			
Western District	225,000	450,000	---
6. Water treatment systems	20,000	20,000	---
7. Booster pump station:			
Aoloaufou area	---	---	165,000
8. Misc. system improvements	155,000	155,000	130,000
<b>Totals</b>	<b>\$2,450,000</b>	<b>\$2,500,000</b>	<b>\$2,320,000</b>

## WATER NEEDS

Senator STEVENS. How is it that the water system fell into such disrepair that so much funding has been required for improvements?

Governor RUTH. The problem is not so much that the water system has fallen into disrepair as it is that the water demands of the Samoan people have grown significantly as both their standard of living and the population of the territory have increased.

The traditional water supply source has been the stream catchment designed to supply a single village or a small area. Even though several of these catchments were interconnected during the naval administration, the primary source of supply remained the village stream catchment. During the dry season, June to November, many of these catchment dry up.

The first wells of adequate size to provide worthwhile quantities of water were drilled in 1972. There are presently 14 operable wells not including 6 others which are awaiting the arrival of pumps. However, a critical aspect of our current water problems is that all of the existing wells are in the Western District while the majority of the water demand, including water necessary for the operation of the two tuna canneries, is in the Pago Bay area. Approximately 65 percent of the 36,000 feet of transmission pipeline between the two areas consists of small diameter, 6-inch and 8-inch, transmission lines. It is impossible to transmit enough water through this pipeline system to adequately meet the water demands of the bay area. Further, a large part of the existing storage and distribution systems in other areas of the island are grossly inadequate in light of population increases and increased per capita demand.

## CRATER STORAGE

Senator STEVENS. Tell us about the feasibility study into the use of a crater for water storage. What is involved in this plan?

Governor RUTH. Olovalu crater is a natural volcanic crater located in the Western District of Tutuila. If practical, this crater could be developed for use as a 560 million gallon raw water storage facility.

Total costs of this project are currently estimated at approximately \$18 million. The scope of work planned under the feasibility study is to: Review all available information on Samoan Island geology, volcano and cinder core geology, and research on various types of available liners; provide detailed mapping of topographical and geological features of the crater and immediate surroundings; drill in order to develop a detailed geological model of Olovalu crater; drill, sample, and field test to determine parameters relating to stability, deformation, and permeability, and development of preliminary design requirements for slopes, liners, and associated structures.

## POWER SYSTEMS

Senator STEVENS. The request for electrical power systems is \$1.5 million. This follows \$3.2 million requested or available for the current year, and I note you are planning for more generators in fiscal year 1978. Will all this complete needed power system work?

Governor RUTH. We certainly hope so, sir. Assuming that our existing power facilities can be repaired, the addition of the two new

generators in fiscal year 1976 and the two planned for installation in fiscal year 1978 should permit us to fully meet electrical power demands within the territory until the late 1980's.

Senator STEVENS. Your power generation relies entirely on diesel-fueled generators, is that correct? With rising oil prices, isn't this becoming expensive?

Governor RUTH. That is correct, sir. All of our existing eight generators are diesel-fueled. Of course, the last of these units was purchased in 1973, before the worldwide increase in the price of oil. Due to high fuel costs, this is becoming an expensive operation.

Senator STEVENS. There is an increasing amount of research and development involving solar and wind power, principally through ERDA. I would think American Samoa has plenty of both resources. Has anyone pursued the possibility of Federal demonstration programs in these areas?

Governor RUTH. Yes sir, we have, I believe that a combined solar-wind generation energy system would be especially suitable for American Samoa. We have requested the Energy Research and Development Administration to consider American Samoa as a possible location for the Solar Research Institute for purposes of demonstrating the technical and economic feasibility of solar power.

#### ADMINISTRATIVE

Senator STEVENS. From the personnel summaries, it appears that civil service and contract positions have risen slightly over the past 2 years while local personnel have decreased. Why is that?

Governor RUTH. The increase in contract positions from fiscal year 1975 to fiscal year 1976 was primarily for teaching positions within the bilingual/bicultural program financed under the Elementary and Secondary Education Act, title VII. Sufficiently qualified local teachers are not now available to fill these positions. Local positions were cut back in the areas of television production, engineering, and administration due to a reduction in the use of educational television programs.

Senator STEVENS. You are reporting 1976 increases in the object class for printing and equipment and additional increases for 1977. Why can't these kinds of costs be held down at this time?

Governor RUTH. The majority of the requested increases for equipment in fiscal year 1976 and fiscal year 1977 are needed to replace science, shop, and office equipment in the Department of Education, the community college, and the vocational skills center at Tafuna. These replacements were originally scheduled for fiscal year 1975; however, the large shortfall in fiscal year 1975 local revenues forced deferral of these purchases until later years. We do not show increases for printing in fiscal year 1976 and fiscal year 1977. The object classification schedule for administration of territories on page 99 of the justifications include requests for programs other than American Samoa.

Senator STEVENS. In your justification for increases and decreases in the agriculture program—p. 37—the first column does not add. Are any proposed increases or decreases missing?

Governor RUTH. Yes. An increase of \$500 should be shown in cost category No. 4 for agricultural demonstrations, veterinarian and agricultural supplies, and farm equipment maintenance and fuel costs.

#### TOURISM

Senator STEVENS. What is the economic potential of your tourism program, for which you are requesting a small increase that includes an additional \$1,500 for travel?

Governor RUTH. I would doubt that tourism will ever be a major economic factor in America Samoa. However, we are attempting to build a small tourism industry through island beautification projects, advertising, direct contact with travel agents in the United States, and other areas of the world, and by providing technical assistance to local businessmen in areas in which tourist trade may be increased.

#### JUDICIAL APPEAL PROCESS

Senator STEVENS. Let me ask you one question. I had an attorney come to me and point out there is no process for appeal from several cases in which the government of American Samoa is a party.

Has that ever been considered, Governor, that there should be an appeal from the American Samoa court into the normal Federal court system, into the Pacific Court of Appeals?

It used to be, but I didn't realize you could not do it now. Are any of you gentlemen lawyers?

Governor RUTH. Yes, sir. Mr. Salanoa could tell you.

Mr. SALANOA. Mr. Chairman, you mean an appeal from a local court to any court of appeal in the States?

Senator STEVENS. To the Ninth Circuit Court of Appeals. The suggestion has been made in several cases in which the Government of American Samoa is a party there ought to be an appeal.

There is no appeal from the high court of American Samoa, and there is no appeal from the other territories in several cases. I did not realize that.

Mr. SALANOA. We discussed this. I think the legislature is strongly opposed to any appeal from a local court to any court of appeals in—Federal court of appeals.

Senator STEVENS. What does a nonresident do to obtain any kind of impartial justice, then, as far as American Samoa is concerned?

Governor RUTH. Mr. Chairman, our government appoints two high judges to this court and they are impartial. We are not talking about Samoan judges now.

Senator STEVENS. I understand that. This is not a matter of Samoans as opposed to non-Samoans. It is a territorial situation as opposed to a nonterritorial situation.

I lived in a territory for some time, and I know we had some feeling about it. Still there was an appeal from the Territory of Alaska to the court of appeals.

Mr. IULI. Mr. Chairman, I think because our situation is different from an organized territory, because in the history of our government there has never been such a case where a person can appeal to the Ninth Circuit Court in San Francisco at the position of the High Court of American Samoa if it is not to their satisfaction.

Senator STEVENS. If you are in the Virgin Islands, you appeal to a higher court. If you are in Puerto Rico, you appeal to a higher court.

Mr. SALANOA. That is out of the organized territories.

Mr. IULI. How are those territorial judges appointed? Are they appointed by the Federal Government and confirmed by the Senate?

Senator STEVENS. Yes.

#### SAMOAN JUDICIAL SYSTEM

Mr. IULI. That is the difference. Our judges are appointed by the Secretary of Interior. I don't think there is a requirement for Senate confirmation for our judges.

Senator STEVENS. I might send you a letter, Governor, asking you to take a look at this. Because they indicate in cases where there are civil cases that involve land titles and where the Government of American Samoa is a party that the same entity, the Secretary of Interior, is appointing you and appointing the judges, and the system has no diversity as far as fairness of—where the American Samoan government is involved.

It is a new matter to me, but it seemed strange to me when I saw it. The same people appoint you, right? Isn't it the Secretary who nominates you?

Governor RUTH. Yes, sir.

Senator STEVENS. And selects the judges. Your government is involved before those judges, and you are all selected by the same source. They are not people selected by the legislature.

Is the legislature involved in that judicial system?

Governor RUTH. No, sir.

Mr. IULI. Only for our Samoan judges. The Senate confirmation is required.

Senator STEVENS. How many Samoan judges do you have?

Mr. SUNIA. Five.

Senator STEVENS. How many are appointed by the Secretary?

Governor RUTH. Two. I think you are asking for an explanation. The fact that it is an unorganized territory must be a factor in it. People don't come to American Samoa for over 30 days without a job or approval. Citizens don't go in and out of there like they do in an organized territory.

While the two judges and I are appointed by the same person, who happens to be the Secretary of the Interior, we don't have any working agreement together. They work entirely independently.

Senator STEVENS. The high court has seven judges?

Governor RUTH. The high court has two judges.

Senator STEVENS. These are the two you are talking about. The court you all confirm has five?

Mr. IULI. Yes.

Mr. SALANOA. Five Samoan judges.

Governor RUTH. They are usually working on such things as land titles among the people, and titles among the people. If anything which we consider a misdemeanor or Federal case comes up, it always goes to one of the high courts.

Senator STEVENS. What if it is a nonresident? What court do they go to?

Governor RUTH. The nonresident would go to the high court. Yes, sir.

Mr. IULI. Mr. Chairman, the Samoan judges sit in when there is a land dispute to the title, or to a chief title. But a Samoan, a violation of any laws of American Samoa—

Senator STEVENS. I am not talking about criminal jurisdiction. I understand that.

Mr. IULI. Oh, civil. That goes to the chief justice, the High Court of American Samoa, whichever chief justice or associate chief justice is presiding.

Senator STEVENS. And that decision is final. It is just one court?

Mr. IULI. With a decision, they can appeal to one of them—both the chief justice and the associate don't sit at the same time. The associate sits and if I don't agree with the decision I can appeal it, because we have an appellate court in American Samoa. That would be the chief justice to sit in, if I want to make an appeal.

Governor RUTH. Mr. Chairman, completely unrelated to this, in American Samoa because of the system at present, there is no such thing as a jury trial. The courts are now acting on that. It might be more important to wait and see what comes up.

Senator STEVENS. I understand that there is an inquiry with the Judiciary Committee. We are waiting for some development in terms of a case that is pending.

Governor RUTH. Yes, sir.

Senator STEVENS. But it seems difficult, as an attorney myself coming from a former territory, it seems difficult to comprehend a system that does not give an appeal, particularly to a nonresident and particularly in an area where the government itself is involved.

Maybe you gentlemen don't agree that it is contrary to anything I know about in the other territories.

The Committee will look into it, and we may be writing to you, Governor, and to you gentlemen, too. It is just a matter that has been raised. I think it is something which needs looking into.

I do appreciate your statements. Did you gentlemen have any prepared statements of any kind?

Mr. IULI. Yes.

Senator STEVENS. I would be happy to hear your statement if you would like to present it. We want to print your resolutions in the record, which you had mentioned.

Do you have a statement beyond that?

Mr. IULI. Yes.

Senator STEVENS. Do you want to read the statement, or you want to put it in the record?

Mr. IULI. We will just put it in the record, Mr. Chairman.

Senator STEVENS. All right. Fine.

[The statement follows:]

Honorable Chairman and Members of the Committee, Ladies and Gentlemen:

I extend to you warm TALOFA from the people of American Samoa and sincere best wishes for your happiness. It is always a great pleasure and singular honor to again appear before your Committee as a member of the delegation from the Territory of American Samoa to present our budget request for the forthcoming fiscal year and to visit our Nation's capital.

When we last appeared before you, American Samoa had just suffered a severe drought which resulted in the loss of huge amounts of local corporate income tax

revenues from our tuna canneries. Because of this loss of local revenues, our Governor, the Honorable Earl B. Ruth, was forced to sharply cut back fiscal year 1975 programs and drastically reduce the government work force. These necessary actions had the full support of the Legislature of American Samoa, and we commend Governor Ruth for having had the courage to make those difficult and extremely unpleasant decisions. I would also like to express the gratitude of the people of American Samoa for the \$900,000 Congressional supplemental appropriation for fiscal year 1975, without which further program reductions would have been necessary and many other Samoans would have lost their positions with the government and means of livelihood.

The appropriations we have received thus far for fiscal year 1976 are, likewise, greatly appreciated.

The budget request which you now have before you represents the minimum amount required to operate the Government of American Samoa and provide vitally needed capital improvements during fiscal year 1977 in view of present financial situation confronting the Nation, and affecting a number of very urgent capital improvement projects, especially funds formerly earmarked for the construction of the wharf on Ta'u Island, a project which will contribute to the safety and economic development of the Manu'a Islands.

The proposed programs and individual funding levels have my fullest support. At this time, I respectfully urge your favorable consideration of this request.

Thank you.

SOIFUA.

Senator STEVENS. We are going to come out to see you one of these days. Senator Bible was always wanting to take another trip out there, but then he retired.

We think you are doing a good job, Governor, and you, too, gentlemen from the legislature. We do hope you will keep in touch with us about these islands as problems come up.

Governor RUTH. I hope so. I wasn't even in town when that last meeting came about.

Senator STEVENS. We have a series of questions that Senator Mathias has given us. We will ask you to answer them for the record.

#### QUESTIONS SUBMITTED BY SENATOR MATHIAS

*Question.* Provide me with a complete description of the events surrounding the proposed employment of Mr. Charles Walsh as a contract special assistant to the Governor of American Samoa during the Fall of 1975.

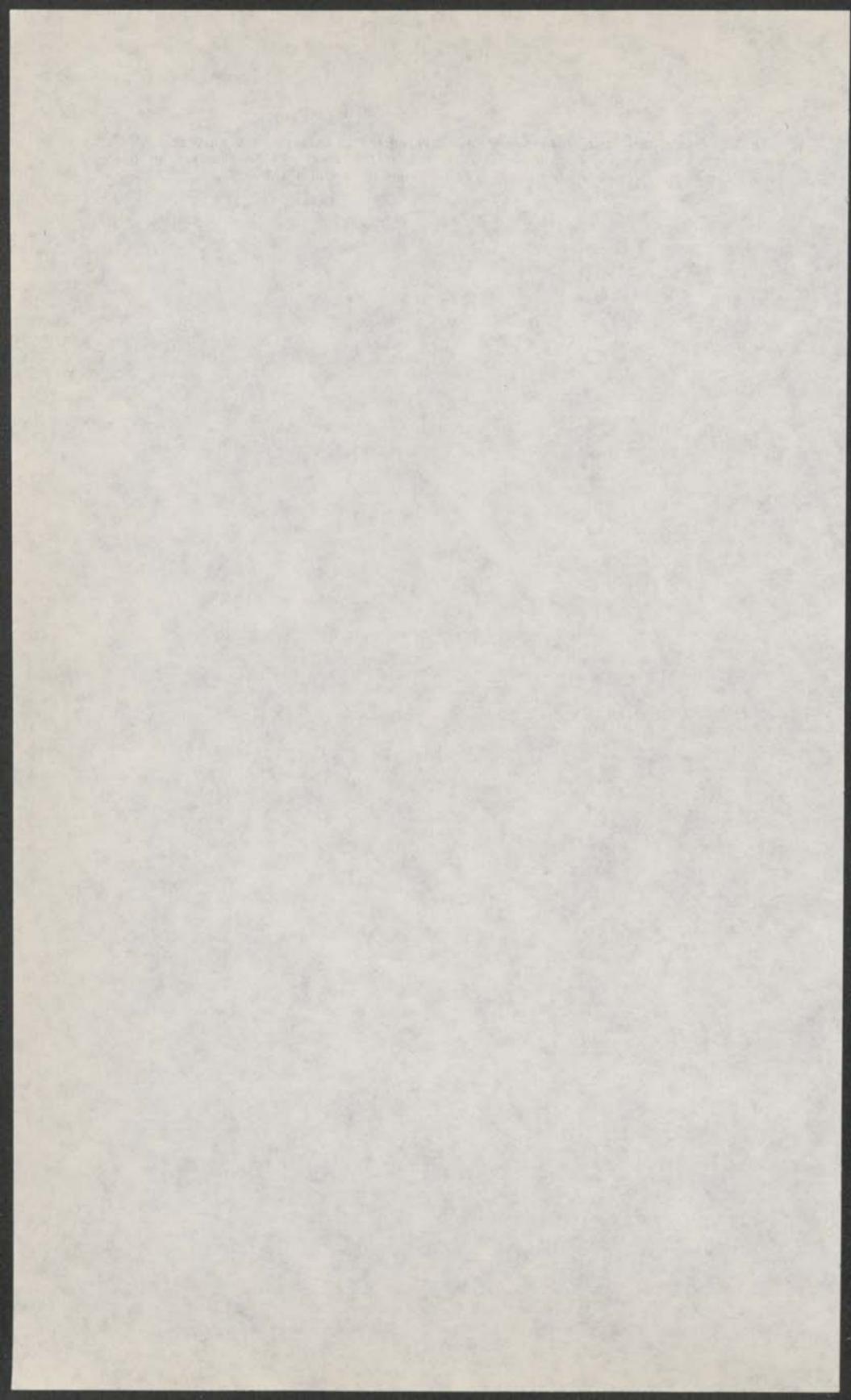
*Answer.* Congresswoman Spellman also requested similar information concerning the Walsh case. This case was not treated as a simple employment case because a large number of very strong allegations were made by Mr. Walsh against the Government of American Samoa and the Department. The circumstances of the case required that we do a thorough job of investigation. Due to the ongoing investigation and wishing to protect his position, on December 10, 1975, we interceded on Mr. Walsh's behalf to halt court proceedings in American Samoa where a default judgment was about to be entered against him. Since the case was so complex, the initial work on it took a great deal of time. The final work product left the Office of Territorial Affairs on the seventh of February and was approved by the Department today prior to our coming up here. Due to its scope and the seriousness of the allegations involving many people, and due to very personal disclosures contained in the report, it was necessary for a large number of people to approve the report. The approval process took a considerable amount of time. A copy of the report will be provided to you for your review.

*Question.* What is the Department's position on Mr. Walsh's charge of breach of contract by the Office of Territorial Affairs?

*Answer.* The contract for the employment of Mr. Walsh was not between the Department or the Office of Territorial Affairs, but between Mr. Walsh and the Government of American Samoa. Since the Government of American Samoa is an entity separate and apart from the Department of the Interior and the Federal Government, this case will be treated as a dispute between the Government of American Samoa and Mr. Walsh to be resolved by them with or without court action. If this case were to be decided by the Department, we would recommend that Mr. Walsh reimburse the Government of American Samoa for all its expenses less \$72.50 for the two per diem discrepancy.

*Question.* Will restitution for Mr. Walsh's travel and moving expenses be made?

Answer. Since this case is between the Government of American Samoa and Mr. Walsh, and since we do not know at this time if the case will be resolved in or outside the courts, we are unable to say if restitution will or will not be made.



## TRUST TERRITORY OF THE PACIFIC ISLANDS

STATEMENT OF EDWARD E. JOHNSTON, HIGH COMMISSIONER OF  
THE TRUST TERRITORY OF THE PACIFIC ISLANDS

## ACCOMPANIED BY:

LEO A. FALCAM, DISTRICT ADMINISTRATOR/PONAPE  
 THOMAS B. CROSSAN, PROGRAM AND BUDGET OFFICER  
 HARUO N. WILTER, BUDGET OFFICER  
 SENATOR BAILEY OLTER, CONGRESS OF MICRONESIA  
 REPRESENTATIVE RAYMOND SETIK, CONGRESS OF MICRONESIA  
 HARRY U. BROWN, BUDGET OFFICER, CONGRESS OF  
 MICRONESIA  
 WILLIAM BETTENBERG, DEPUTY DIRECTOR OF BUDGET, DE-  
 PARTMENT OF THE INTERIOR

## BUDGET ESTIMATE

Senator STEVENS. We are now going into the 1977 budget estimates. I am told that the request for the Trust Territory of the Pacific Islands is for \$82.3 million, which is \$5.1 million above the appropriations to date. Justifications for the Department's request have been included in part I with the supplemental.

We also had a budget proposal submitted by the Congress of Micronesia which suggests several major changes in the Department request. This budget totals \$87.6 million which would be an increase of 10.4 million over appropriations to date. We will include the summaries of those pages detailing any significant changes in the Department's request.

## REVISED BUDGET

I have been informed we have been furnished a revised budget which again represents a compromise of the two competing proposals that are before us. The Department and the Congress of Micronesia have worked this out. This revision just arrived this afternoon, after we had prepared for the hearing to try to explore the differences.

Again, as I understand it—correct me if I am wrong—we have a summary of this agreement is that correct?

Mr. BETTENBERG. Yes, Mr. Chairman.

Senator STEVENS. Let's print this in the record at this point, too.

[The information follows:]

(957)

## CONGRESS OF MICRONESIA

## Alternate Budget Proposal

## Trust Territory of the Pacific Islands

This budget presentation is centered on justifying the funds requested to be provided the Trust Territory Government by the Administering Authority for Fiscal Year 1977. Also included are Budget Information schedules provided on program grant funds provided by Federal agencies and tax revenues controlled by the Congress of Micronesia. A concerted effort is proposed to be made during the course of developing the Fiscal Year 1978 budget to present all sources of fiscal support for the Trust Territory Government.

The FY 1977 Program

A total of \$87,684,000 is requested to be appropriated for the support of the Trust Territory Government during Fiscal Year 1977. This amount is \$7,374,000 more than the \$80,310,000 appropriation for Fiscal Year 1976. However, since \$1,000,000 of the total funds provided for FY 76 was the final increment of the authorized \$5,000,000 capitalization of the Economic Development Loan Fund and the one time funding for Bikini ex gratia payments of \$3,000,000, the increase requested for FY 77 program funding is actually \$11,374,000 over the FY 76 program funding level.

The following table provides an overview of the distribution of the requested funding increases for FY 77 over the FY 76 level (in thousands of dollars):

	<u>FY 76</u>	<u>FY 77</u>	<u>CHANGE AMOUNT</u>
DIRECT APPROPRIATION	1,131	1,040	-91
GRANTS:			
OPERATIONS	53,679	57,992	+4,313
CAPITAL IMPROVEMENT PROGRAM	<u>21,500</u>	<u>28,652</u>	<u>+7,152</u>
TOTAL, GRANTS	75,179	86,644	+ 11,465
TOTAL, DIRECT AND GRANTS	76,310	87,684	+ 11,374
ECONOMIC DEVELOPMENT LOAN FUND	1,000	0	-1,000
BIKINI EX GRATIA PAYMENTS	<u>3,000</u>	<u>0</u>	<u>-3,000</u>
TOTAL	\$80,310	\$87,684	+7,374

Direct Appropriations - High Commissioner's Office, Judiciary, and  
Comptroller's Office.

The decrease in the direct portion of the appropriation is because of the anticipated large carryover from FY 1976 for the Judiciary.

Grant Operations

This request is a holding action only, and does little more than maintain the FY 1976 program, making allowance for inflation. A major shift in program emphasis is expected in FY 1978 when the results of the Comprehensive Development Plan are available. The increases of \$4,313,000 in addition to inflation costs will be used for: (1) the planned establishment of the present Kusaie Sub-District of the Ponape District as the Kusaie District at the beginning of FY 77; (2) the need to staff, equip, and maintain new facilities (schools, dispensaries, water and sewage treatment plants, etc.) planned for completion during FY 76, the transition quarter and FY 77; and (3) the requirement to cover full year costs of the increased salary schedule for the Trust Territory Public Service employees.

The continuing effort to train Micronesians to replace U.S. and third country national employees as their employment contracts expire is being accelerated in accordance with tentative plans for termination of the Trusteeship at the end of FY 80.

Grant Construction

The increase of \$7,152,000 over the \$21,500,000 appropriated in FY 76 reflects the continued acceleration of the planned emplacement of the basic infrastructure needed to support both the Trust Territory Government until termination of the Trusteeship and the future Government of Micronesia. This program has as its goal the provision of fundamental facilities in each district, such as adequate medical, education, utility, public safety, road, seaport, airport, legislative, judicial and administrative facilities, which are required to meet the social needs of the population and promote the economic development of Micronesia.

The Department of Interior has entered into an agreement with O.I.C.C., Department of the Navy, to manage most of the Capital Improvement Projects in the Trust Territory. There should be no significant unobligated balances in the future. The amount requested is an increment toward providing the basic infrastructure referred to in the U.S. Senate Oversight hearings in 1975 and the Task Force Report on Public Works Projects in the Trust Territory by the Director of Territorial Affairs. This will enable Micronesians to reduce financial dependence on the U.S. Government.

In addition, the request includes funds for the A. & E. work, for the new capital of Micronesia and funds for bona fide experts to assist in the implementation of the Micronesian Development Plan.

Appropriation, 1975.....	\$ 61,700,000	
Second Supplemental Appropriation, 1975.....	<u>8,050,000</u>	
Total Appropriation, 1975.....		<u>\$ 69,750,000</u>
Appropriation, 1976.....	\$ 80,196,000	
Pay Cost Supplemental.....	<u>114,000</u>	
Total Available, 1976.....		<u>\$ 80,310,000</u> 1/

Summary of Increases and Decreases, 1977

	<u>Base for 1977</u>	<u>Increase 1977</u>
<u>High Commissioner's Office</u>		
To provide for increased operating costs.....	\$ 466,900	+ \$ 33,100
<u>Judiciary</u>		
To provide for increased operating costs.....	439,100	- 149,100
<u>Federal Comptroller's Office</u>		
To provide for the program as authorized and required by P.L. 93-111 (enacted September 21, 1973).	225,000	+ 25,000
<u>Grants</u>		
Net increase of \$11,465,000 consists of decreases of \$4,313,000 for operations and increases of \$7,152,000 for capital improvements	75,179,000	+ 11,465,000
<u>Economic Development Loan Fund</u>	1,000,000	- 1,000,000
<u>Bikini ex gratia payments</u>	3,000,000	- 3,000,000
Net Increase 1977.....		+ <u>\$ 7,374,000</u>
Budget Estimate, 1977.....		<u>86,684,000</u>

1/ Does not include proposed supplemental of \$8,685,000 for Trust Territory operations and Northern Marianas Transition.

## ANALYSIS BY ACTIVITIES

	FY 1975 Amount Available	FY 1976 Program	FY 1977 Estimate	Increase (+) or Decrease (-) 1977 Compared with 1976
1. High Commissioner's Office.....	\$ 443,949	\$ 483,589	\$ 500,000	\$ + 16,411
2. Judiciary.....	317,786	596,871	290,000	- 306,871
3. Federal Comptroller's Office.....	247,987	228,013	250,000	+ 21,987
4. Grants.....	60,667,232	83,980,698	86,644,000	+ 2,663,302
5. Economic Development Loan Fund.....	1,000,000	1,000,000	---	- 1,000,000
6. Categorical Assistance Programs.....	698,605	1,395	---	- 1,395
7. Bikini ex gratia payments.....	---	3,000,000	---	- 3,000,000
	<u>\$63,375,559</u>	<u>\$89,290,566</u> <sup>1/</sup>	<u>\$87,684,000</u>	<u>\$- 1,606,566</u>

The estimate of \$87,684,000 for FY 1977 represents an increase of \$7,373,000 in budget authority over FY 1976, including the FY 1976 Pay Act supplemental, exclusive of carryover funds of \$8,980,566

High Commissioner's Office.....	\$ + 33,100
Judiciary.....	- 149,100
Federal Comptroller's Office.....	+ 25,000
Grants.....	+11,465,000
Economic Development Loan Fund...	- 1,000,000
Bikini ex gratia payments.....	- 3,000,000
INCREASE	<u>\$ + 7,374,000</u>

<sup>1/</sup> Does not include proposed supplemental of \$8,665,000 for Trust Territory operations and Northern Marianas transition.



## Number of Positions by Program and Category

	<u>FY 1975 Actual</u>	<u>FY 1976 Estimate</u>	<u>FY 1977 Estimate</u>	FY 1977 Compared to FY 1976
<b>A. <u>Direct Appropriation</u></b>				
1. Office of the High Commissioner:				
U.S. Civil Service	<u>8</u>	<u>8</u>	<u>8</u>	-
TT Public Service:				
Non-TT Citizen	<u>-</u>	<u>-</u>	<u>-</u>	-
TT-Citizen	<u>6</u>	<u>6</u>	<u>6</u>	-
Total, TT Public Service	<u>6</u>	<u>6</u>	<u>6</u>	-
Total	<u>14</u>	<u>14</u>	<u>14</u>	+0
2. Judiciary (High Court only):				
U.S. Civil Service	<u>6</u>	<u>6</u>	<u>6</u>	-
TT Public Service:				
Non-TT Citizen	<u>-</u>	<u>-</u>	<u>-</u>	-
TT Citizen	<u>6</u>	<u>6</u>	<u>6</u>	-
Total, TT Public Service	<u>6</u>	<u>6</u>	<u>6</u>	-
Total	<u>12</u>	<u>12</u>	<u>12</u>	+0
Total Direct Appropriation:				
U.S. Civil Service	<u>14</u>	<u>14</u>	<u>14</u>	-
TT Public Service:				
Non-TT Citizen	<u>-</u>	<u>-</u>	<u>-</u>	-
TT Citizen	<u>12</u>	<u>12</u>	<u>12</u>	-
Total, TT Public Service	<u>12</u>	<u>12</u>	<u>12</u>	-
Total	<u>26</u>	<u>26</u>	<u>26</u>	+0

	FY 1975 Actual	FY 1976 Estimate	FY 1977 Estimate	FY 1977 Compared to FY 1976
<b>B. Grant - Operations</b>				
<b>1. Health Services:</b>				
U.S. Civil Service	<u>2</u>	<u>1</u>	<u>0</u>	<u>-1</u>
TT Public Service:				
Non-TT Citizen	25	25	25	-
TT Citizen	<u>1,115</u>	<u>1,176</u>	<u>1,243</u>	<u>+67</u>
Total, TT Public Service	<u>1,140</u>	<u>1,201</u>	<u>1,268</u>	<u>+67</u>
Total	<u>1,142</u>	<u>1,202</u>	<u>1,268</u>	<u>+66</u>
<b>2. Education:</b>				
U.S. Civil Service	<u>4</u>	<u>5</u>	<u>4</u>	<u>-1</u>
TT Public Service:				
Non-TT Citizen	173	170	170	-
TT Citizen	<u>2,058</u>	<u>2,168</u>	<u>2,235</u>	<u>+67</u>
Total, TT Public Service	<u>2,231</u>	<u>2,338</u>	<u>2,405</u>	<u>+67</u>
Total	<u>2,235</u>	<u>2,343</u>	<u>2,409</u>	<u>+66</u>
<b>3. Public Affairs:</b>				
U.S. Civil Service	<u>7</u>	<u>4</u>	<u>4</u>	<u>-</u>
TT Public Service:				
Non-TT Citizen	3	3	2	-1
TT Citizen	<u>198</u>	<u>207</u>	<u>207</u>	<u>-</u>
Total, TT Public Service	<u>201</u>	<u>210</u>	<u>209</u>	<u>-1</u>
Total	<u>208</u>	<u>214</u>	<u>213</u>	<u>-1</u>

	FY 1975 Actual	FY 1976 Estimate	FY 1977 Estimate	FY 1977 Compared to FY 1976
4. Resources and Development:				
U.S. Civil Service	21	20	20	-
TT Public Service:				
Non-TT Citizen	26	25	25	-
TT Citizen	824	840	846	-
Total, TT Public Service	850	865	865	-
Total	871	885	885	-
5. Protection of Persons and Property:				
U.S. Civil Service	2	2	2	-
TT Public Service:				
Non-TT Citizen	18	19	19	-
TT Citizen	416	448	460	+ 12
Total, TT Public Service	434	467	479	+ 12
Total	436	469	481	+ 12
6. Administration:				
(a) Finance and Supply:				
U.S. Civil Service	27	29	28	- 1
TT Public Service:				
Non-TT Citizen	9	13	13	-
TT Citizen	322	344	363	+ 19
Total, TT Public Service	331	357	376	+ 19
Total	358	386	404	+ 18

	FY 1975 Actual	FY 1976 Estimate	FY 1977 Estimate	FY 1977 Compared to FY 1976
(b) Personnel Services:				
U.S. Civil Service	<u>5</u>	<u>4</u>	<u>3</u>	<u>-1</u>
TT Public Service:				
Non-TT Citizen	5	5	5	-
TT Citizen	<u>58</u>	<u>64</u>	<u>66</u>	<u>+2</u>
Total, TT Public Service	<u>63</u>	<u>69</u>	<u>71</u>	<u>+2</u>
Total	<u><u>68</u></u>	<u><u>73</u></u>	<u><u>74</u></u>	<u><u>+1</u></u>
(c) Other Services:				
U.S. Civil Service	<u>22</u>	<u>21</u>	<u>21</u>	<u>-</u>
TT Public Service:				
Non-TT Citizen	9	15	15	-
TT Citizen	<u>113</u>	<u>138</u>	<u>146</u>	<u>+8</u>
Total, TT Public Service	<u>122</u>	<u>153</u>	<u>161</u>	<u>+8</u>
Total	<u><u>144</u></u>	<u><u>174</u></u>	<u><u>182</u></u>	<u><u>+8</u></u>
(d) Total, Administration:				
U.S. Civil Service	<u>54</u>	<u>54</u>	<u>52</u>	<u>-2</u>
TT Public Service:				
Non-TT Citizen	23	33	33	-
TT Citizen	<u>493</u>	<u>546</u>	<u>575</u>	<u>+29</u>
Total, TT Public Service	<u>516</u>	<u>579</u>	<u>608</u>	<u>+29</u>
Total	<u><u>570</u></u>	<u><u>633</u></u>	<u><u>660</u></u>	<u><u>+27</u></u>

	FY 1975 Actual	FY 1976 Estimate	FY 1977 Estimate	FY 1977 Compared to FY 1976
<b>7. Transportation and Communications:</b>				
U.S. Civil Service	13	13	11	- 2
TT Public Service:				
Non-TT Citizen	9	9	8	- 1
TT Citizen	167	181	187	+ 3
Total, TT Public Service	176	190	195	+ 2
Total	189	203	206	-
<b>8. Public Works:</b>				
U.S. Civil Service	17	17	17	-
TT Public Service:				
Non-TT Citizen	22	22	21	- 1
TT Citizen	1,391	1,443	1,447	+ 4
Total, TT Public Service	1,413	1,465	1,468	+ 3
Total	1,430	1,482	1,485	+ 3
<b>Total, Grant - Operations:</b>				
U.S. Civil Service	120	116	110	- 6
TT Public Service:				
Non-TT Citizen	299	306	303	- 3
TT Citizen	6,662	7,009	7,200	+ 191
Total, TT Public Service	6,961	7,315	7,503	+ 188
Total	7,081	7,431	7,613	+ 182
<b>C. Grant- Capital Improvement Program</b>				
<b>1. Design and Engineering:</b>				
U.S. Civil Service	-	-	-	-
TT Public Service:				
Non-TT Citizen	21	21	21	-
TT Citizen	14	30	30	-
Total, TT Public Service	35	51	51	-
Total	35	51	51	-

	FY 1975 Actual	FY 1976 Estimate	FY 1977 Estimate	FY 1977 Compared to FY 1976
<b>2. Construction Contract Administration:</b>				
U.S. Civil Service	4	4	4	-
TT Public Service:				
Non-TT Citizen	32	32	32	-
TT Citizen	8	24	24	-
Total, TT Public Service	40	56	56	-
Total	44	60	60	-
<b>3. Planning Services:</b>				
U.S. Civil Service	-	-	-	-
TT Public Service:				
Non-TT Citizen	7	-	-	-
TT Citizen	13	-	-	-
Total, TT Public Service	20	-	-	-
Total	20	-	-	-
<b>Total, Grant - Capital Improvement Program:</b>				
U.S. Civil Service	4	4	4	-
TT Public Service:				
Non-TT Citizen	60	53	53	-
TT Citizen	35	54	54	-
Total, TT Public Service	95	107	107	-
Total	99	111	111	-
<b>Total Paid from Direct Appropriation and Grants: 1/</b>				
U.S. Civil Service	138	134	128	- 6
TT Public Service:				
Non-TT Citizen	359	359	365	+ 3
TT Citizen	6,709	7,075	7,276	+ 176
Total, TT Public Service	7,068	7,434	7,641	+ 182
Total	7,206	7,568	7,769	+ 179

	FY 1975 <u>Actual</u>	FY 1976 <u>Estimate</u>	FY 1977 <u>Estimate</u>	FY 1977 Compared to <u>FY 1976</u>
D. Printing and Publications: <u>2/</u>				
U.S. Civil Service	<u>1</u>	<u>1</u>	<u>1</u>	<u>-</u>
TT Public Service:				
Non-TT Citizen	<u>1</u>	<u>1</u>	<u>1</u>	<u>-</u>
TT Citizen	<u>36</u>	<u>40</u>	<u>43</u>	<u>+ 3</u>
Total, TT Public Service	<u>37</u>	<u>41</u>	<u>44</u>	<u>+ 3</u>
Total	<u>38</u>	<u>42</u>	<u>45</u>	<u>+ 3</u>
GRAND TOTAL:				
U.S. Civil Service	<u>139</u>	<u>135</u>	<u>129</u>	<u>- 6</u>
TT Public Service:				
Non-TT Citizen	<u>360</u>	<u>360</u>	<u>366</u>	<u>+ 3</u>
TT Citizen	<u>6,745</u>	<u>7,115</u>	<u>7,319</u>	<u>+ 179</u>
Total, TT Public Service	<u>7,105</u>	<u>7,475</u>	<u>7,685</u>	<u>+ 182</u>
Total	<u>7,244</u>	<u>7,610</u>	<u>7,814</u>	<u>+ 179</u>

1/ Excluding:

- Legislative Branch personnel (the Legislative Branch is self-supported).
- Personnel paid from special grants to support specific Federal programs in the Trust Territory.

2/ Paid from user-charges levied for services provided.

## REVISED BUDGET PROPOSAL

EXHIBIT A

Trust Territory of the Pacific Islands

Comparison of "FP", CON, and Revised Request for FY '76  
Proposed Supplemental  
(In thousands of dollars)

	(1) FY 76 to Congress	(2) CON Supp. Request FY '76	(3) Revised Total	Difference Col. 3 - Col. 1	Difference Col. 2 - Col. 2
1. High Commissioner's Office	23		10	- 13	
2. Judiciary	---		---	---	
3. Comptroller's Office	15		15	---	
Total Direct	38		25	- 13	
4. Grants					
(a) Operations					
1. Health Services	1,072		600	- 472	
2. Education	937		450	- 487	
3. Public Affairs	141		100	- 41	
4. Resource & Development	344		350	+ 6	
5. Protection of Persons and Property	276		250	- 26	
6. Administration	79		690	- 144	
7. Trans. & Comm.	170		160	- 10	
8. Public Works	433		415	- 18	
Total Operations	4,167		2,372	- 1,192	
Total Direct & Grant Ops	4,205	3,000 1/	3,000	- 1,205	---
(b) Construction	2,272	4,185	3,480	+ 1,205	- 705
Total Grants	6,442	---	6,455	+ 13	---
(c) Northern Marianas Transition	1,200	1,200	1,500	---	---
Total Direct and Grants	7,980	8,685	7,980	---	- 705

Distribution 1/  
to be  
made by  
High  
Commissioner

## Comparison of TRF, CCM, and Revised Request for FY '76

Proposed Supplemental

(In thousands of dollars)

	(1) FY 75 to Compers	(2) CCM Supp. Request FY 76	(3) Revised Total	Difference	
				Col. 3 - Col. 1	Col. 3 - Col. 2
(b) Construction detail					
1. Education facilities	247	795	728	+ 481	- 67
(a) Elementary, Truk	80	79	80	---	+ 1
(b) Secondary, Truk	30	30	30	---	---
(c) Secondary, Marshall	137	137	137	---	---
(d) Elementary, Truk	---	68	---	---	- 68 2/
(e) Elementary, Kusale	---	133	133	+ 133	---
(f) Secondary, Satsavan	---	94	94	+ 94	---
(g) Secondary, Ulul	---	94	94	+ 94	---
(h) Secondary, Ponsape	---	160	160	+ 160	---
2. Public Health Facilities	104	275	275	+ 171	---
(a) Hosp. Rehab., Marianas	104	104	104	---	---
(b) Ponsape Hosp., Ponsape	---	165	165	+ 165	---
(c) Dispensaries	---	11	11	+ 11	---
(d) Holding Account	---	12	12	+ 12	---
3. Legal Affairs	20	20	20	---	---
(a) Fire equipment, Marianas	20	20	20	---	---

1/ For CIP projects approved in FY 75 and prior years but deleted in a reprogramming action due to shortfall in operation due to inflation

2/ Transferred to Transition Quarter.

Comparison of TPI, COX, and Revised Request for FY '76  
Proposed Supplemental

	(In thousands of dollars)			Difference Col. 3 - Col. 1	Difference Col. 2 - Col. 1
	(1) Combined FY 76 to Congress	(2) COX Supp. Request FY 76	(3) Revised Total		
	1,462	1,898	1,732	+ 266	- 163
Roads, Yap	247	147	247	---	---
Roads, Truk	30	30	30	---	---
Roads, Ponape	278	178	278	---	100
Port Facilities, Marshalls	364	364	364	---	---
Airfield, Kusaie	500	500	500	---	---
Comm. Sys., Kusaie	50	50	50	---	---
Rota, Airfield	---	185 1/2	185	+ 185	---
Yap, Airfield	---	96 1/2	---	---	- 96 2/2
Truk, Airfield	---	111 1/2	---	---	- 111 2/2
Majuro, Airfield	---	19 1/2	---	---	- 19 2/2
Majuro, Dock	---	40 1/2	---	---	- 40 2/2
Ponape dock	---	10 1/2	---	---	- 10 2/2
Ponape roads	---	127 1/2	---	---	- 127 2/2
Palau bridge	---	81 1/2	81	+ 81	---

4. Transportation & Communications

1/ Refer to footnote first page.

2/ Transferred to Transition Quarter.

Comparison of TFR, CCM, and Revised Request for FY '76  
Proposed Supplemental  
(In thousands of dollars)

	(1) Combined FY 75 to Congress	(2) CCM Supp. Request FY '76	(3) Revised Total	Difference Col. 3 - Col. 1	Difference Col. 3 - Col. 2
<b>(b) Construction detail (cont'd.)</b>					
<b>5. Resource Development</b>					
Agri. Facilities & Equip., Marianas	21	23	23	---	---
Marine Resources, Ponape	100	100	100	---	---
Reefier plant, Majuro	---	60 1/2	---	---	- 60
Fisheries complex, Truk	---	40 1/2	---	---	- 40
Fisheries complex, Kusaie	---	40 1/2	40	+ 40	---
---	---	200	200	+ 200	---
---	---	200 1/2	200	+ 200	---
---	---	680	302	+ 47	- 373
<b>6. Community Development</b>					
Enwetok planning	127	52	127	---	+ 75
Water System exp., Marianas	38	43	38	---	+ 38
Water projects, Palau	43	---	43	---	---
Power generation, Palau	54	---	54	---	---
Power distribution, Truk	---	193 1/2	---	---	---
Truk Water and Sewer	---	9	10	+ 10	- 183 2/2
Ponape Water and Sewer	---	42 1/2	---	---	- 9 2/2
Marianas Water and Sewer	---	270 1/2	---	---	- 42 2/2
Marianas Power	---	37 1/2	37	+ 37	- 250 2/2
Truk Power	---	54	50	---	---
Maintenance & Rehab	50	---	50	---	- 4 2/2
Emergency & Minor Const.	50	50	50	---	---
Kusaie Public Works	---	4 1/2	---	---	- 4
Total Construction	2,275	4,185	3,480	+ 1,205	- 705

1/ See footnote first page.

2/ Transferred to Transition Quarter.

## EXHIBIT B

Comparison of TPI, COM, and Revised Request for Transition Quarter  
Proposed Supplemental  
(In thousands of dollars)

	(1) to Congress	(2) Supp. COM	Supp. Request TQ	Revised Total	Difference Col. 3 - Col. 1	Difference Col. 3 - Col. 2
1. High Commissioner's Office	9			6	- 3	
2. Judiciary	2			1	- 1	
3. Comptroller's Office	<u>7</u>		<u>Distribution 1/</u>	<u>5</u>	<u>- 2</u>	
Total Direct	18		to be made by High Commissioner	12	- 6	
4. Grants						
(a) Operations						
1. Health Services	595			200	- 395	
2. Education	33			50	- 17	
3. Public Affairs	22			46	- 24	
4. Resource & Development	218			130	- 88	
5. Protection of Persons and Property	168			125	- 43	
6. Administration	348			200	- 148	
7. Trans. & Communications	148			100	- 48	
8. Public Works	402			200	- 202	
Total Operations	2,004			1,051	- 953	
Total Direct & Grant OPS	<u>2,022</u>		<u>900 2/</u>	<u>1,063</u>	<u>- 959</u>	<u>+ 163</u>
(b) Construction	72		72	1,091	+ 1,019	+ 1,019
Total Grants	2,136			2,142	- 6	
Total Direct and Grants	<u>2,154</u>		<u>972</u>	<u>2,154</u>	<u>- 6</u>	<u>+ 1,182</u>

## Comparison of TPI, COM, and Revised Request for Transition Quarter

	(1) Combined TQ Supp. to Congress		(2) Proposed Supplemental COM Supp. Request TQ		(3) Revised Total		Difference Col. 3 - Col. 1	Difference Col. 2 - Col. 3
	---	---	---	---	68	68	+ 68	+ 68
	---	---	---	---	68	68	+ 68	+ 68
	---	---	---	---	363	363	+ 363	+ 363
	---	---	---	---	56	56	+ 56	+ 56
	---	---	---	---	111	111	+ 111	+ 111
	---	---	---	---	19	19	+ 19	+ 19
	---	---	---	---	40	40	+ 40	+ 40
	---	---	---	---	10	10	+ 10	+ 10
	---	---	---	---	127	127	+ 127	+ 127

## (b) Construction detail

1. Education facilities

(a) Elementary, Truk

2. Transportation and Communications

Yap Airfield

Truk Airfield

Majuro Airfield

Majuro Dock

Ponape Lock

Ponape Roads

## Comparison of TPI, CCM, and Revised Request for Transition Quarter

Proposed Supplemental

(In thousands of dollars)

	(1)	(2)	(3)	Revised Total	Difference Col. 3 - Col. 1	Difference Col. 3 - Col. 1
	Combined TQ to Congress	CCM SUPP. Request	CCM SUPP. Request			
3. Resource Development	---	---	---	100	+ 100	+ 100
Beef plant, Majuro	---	---	---	60	+ 60	+ 60
Fisheries complex, Truk	---	---	---	40	+ 40	+ 40
4. Community Development	72	72	72	72	---	---
Civic Action Teams	72	72	72	72	---	---
5. Water, Sewer & Power Facilities	---	---	---	484	+ 484	+ 484
Truk Water and Sewer	---	---	---	183	+ 183	+ 183
Ponape Water and Sewer	---	---	---	9	+ 9	+ 9
Marianas Water and Sewer	---	---	---	42	+ 42	+ 42
Marianas Power	---	---	---	250	+ 250	+ 250
6. Maintenance & Rehab	---	---	---	4	+ 4	+ 4
Kusale Public Works	---	---	---	4	+ 4	+ 4
Total Construction	72	---	---	1,091	+1,019	+1,019

## EXHIBIT C

## Comparison of TIF, CDM, and Revised Request for FY '76 and TQ

Proposed Supplemental  
(In thousands of dollars)

	(1)	(2)	(3)	Difference Col. 3 - Col. 1	Difference Col. 3 - Col. 2
	Combined FY 76 & TQ Supp. to Congress	CDM Supp. Request FY '76 & TQ	Revised Total		
1. High Commissioner's Office	32		16	- 16	
2. Judiciary	2		1	- 1	
3. Comptroller's Office	22	Distribution 1/	20	- 2	
Total Direct	56	to be made by High Commissioner	37	- 19	
4. Grants					
(a) Operations					
1. Health Services	1667		800	- 867	
2. Education	1030		500	- 530	
3. Public Affairs	233		146	- 87	
4. Resource & Development	562		480	- 82	
5. Protection of Persons and Property	444		375	- 69	
6. Administration	1141		291	- 850	
7. Trans. & Comm.	319		260	- 59	
8. Public Works	835		615	- 220	
Total Operations	6231		4026	- 2205	
Total Direct & Grant OFS	6387	3900 1/	4063	- 2324	+ 163
(b) Construction	2347	4257	4571	+ 2224	+ 314
Total Grants	8978		1500	---	---
(c) Northern Mariana Transition	1500		1500		
Total Direct and Grants	10,134	9,657	10,134	---	+ 477

Comparison of TIFI, COM, and Revised Request for FY '76 and TQ  
Proposed Supplemental  
(In thousands of dollars)

	(1)	(2)	(3)	Difference Col. 3 - Col. 1	Difference Col. 3 - Col. 2
	Combined FY 76 & TQ Supp. to Congress	COM Supp. Request FY 76 & TQ	Revised Total		
(b) Construction detail					
Education facilities	287	792	756	+ 549	+ 1
(a) Elementary, Truck	80	79	80	---	+ 1
(b) Secondary, Truck	30	30	30	---	---
(c) Secondary, Marshalls	137	137	137	---	---
(d) Elementary, Truck	---	68	68 1/2	+ 68	---
(e) Elementary, Aunale	---	133	133 1/2	+ 133	---
(f) Secondary, Satavon	---	94	94 1/2	+ 94	---
(g) Secondary, Ulul	---	94	94 1/2	+ 94	---
(h) Secondary, Fonape	---	160	160 1/2	+ 160	---
Public Health Facilities	104	272	272	+ 171	---
(a) Hosp. Rehab., Marianas	104	104	104	---	---
(b) Postop Hosp., Ponape	---	165	165 1/2	+ 165	---
(c) Dispensaries	---	14	14 1/2	+ 14	---
(d) Holding Account	---	12	12 1/2	+ 12	---
Legal Affairs	20	20	20	---	---
Fire equip., Marianas	20	20	20	---	---

1/ For CIP Projects approved in FY 75 original budget but deleted in a reprogramming action due to a shortfall in operation due to inflation.

Comparison of TRFI, COM, and Revised Request for FY '76 and TQ  
Proposed Supplemental

	(1)	(2)	(3)	Difference Col. 3 - Col. 1	Difference Col. 3 - Col. 2
	Combined FY '76 & TQ Supp. to Congress	COM Supp. Request FY '76 & TQ	Revised Total		
	1,169	1,898	2,098	+ 689	+ 200
<b>Transportation &amp; Communications</b>					
Roads, Yap	247	147	247	---	+ 100
Roads, Truk	30	30	30	---	---
Roads, Pohnape	278	178	278	---	+ 100
Port Facilities, Marshalls	364	364	364	---	---
Airfield, Kusaie	500	500	500	---	---
Comm. Sys., Kusaie	50	50	50	---	---
Rota, Airfield	---	185 1/2	185	+ 185	---
Yap, Airfield	---	56 1/2	56	+ 56	---
Truk, Airfield	---	111 1/2	111	+ 111	---
Majuro, Airfield	---	19 1/2	19	+ 19	---
Majuro, Dock	---	40 1/2	40	+ 40	---
Pohnape lock	---	10 1/2	10	+ 10	---
Pohnape roads	---	127 1/2	127	+ 127	---
Falau bridge	---	81 1/2	81	+ 81	---

1/ Refer to footnote first page

## Comparison of TTFI, COM, and Revised Request for FY '76 and IQ

	(In thousands of dollars)				Difference Col. 3 - Col. 1	Difference Col. 3 - Col. 2
	(1) Combined FY 76 & IQ Supp. to Congress	(2) COM Supp. Request FY 76 & IQ	(3) Revised Total			
<u>Resource Development</u>	123	263	263	+ 140	---	
Agr. Facilities & Equip., Marianas	23	23	23	---	---	
Marine Resources, Ponape	100	100	100	---	---	
Docker plant, Majuro	---	60 1/2	60	+ 60	---	
Fisheries complex, Truk	---	40 1/2	40	+ 40	---	
Fisheries complex, Kosale	---	40 1/2	40	+ 40	---	
<u>Community Development</u>	72	272	272	+ 200	---	
Civic Action Teams	72	72	72	---	---	
Enevetak planning	---	200 1/2	200	+ 200	---	
<u>Water, Sewer &amp; Power Facilities</u>	262	680	793	+ 531	+ 113	
Water System exp., Marianas	127	92	127	---	+ 75	
Water projects, Palau	38	43	38	---	+ 38	
Power generation, Palau	43	43	43	---	---	
Power distribution, Truk	54	54	54	---	---	
Truk Water and Sewer	---	193 1/2	193	+ 193	---	
Ponape Water and Sewer	---	9 1/2	9	+ 9	---	
Marianas Water and Sewer	---	42 1/2	42	+ 42	---	
Marianas Power	---	250 1/2	250	+ 250	---	
Truk Power	---	37 1/2	37	+ 37	---	
<u>Maintenance &amp; Rehab</u>	50	54	54	+ 4	---	
Emergency & Minor Const., Kosale Public Works	50	50	50	---	---	
---	---	4 1/2	4	+ 4	---	
<b>Total Construction</b>	<b>2,347</b>	<b>4,257</b>	<b>4,571</b>	<b>+ 2,224</b>	<b>+ 314</b>	

1/ See footnote first page

EXHIBIT D  
Comparison of TIF, OMB, and Revised FY 1977 Budget Request  
(in thousands of dollars)

	(1) President Budget to Congress	(2) OMB Budget Feb. 76	(3) Revised Total	Difference Col. 3-Col. 1	Differences Col. 3-Col. 2
1. High Commissioner's Office	514	500	500	- 14	---
2. Judiciary	460	290	290	- 170	---
3. Comptroller's Office	250	250	250	---	---
Total Direct	1224	1040	1040	- 184	---
4. Grants:					
(a) Operations					
1. Health Services	10253	9850	9850	- 403	---
2. Education	15223	14700	14700	- 523	---
3. Public Affairs	1536	1530	1530	- 6	---
4. Research & Development	5872	5872	4232 2/	+ 350 2/	+ 350 2/
5. Protection to Persons and Property	3295	3295	3295	---	---
6. Administration	6769	6669	6669	- 80	---
7. Trans. & Comm.	3903	3888	3888	- 15	---
8. Public Works	12504	12508	12508	+ 476	---
Total Operations	54577	51992	53372	- 1125	+ 350
(b) Construction	21700	20532 1/	22009 1/	+ 3377	---
Total Grants	81097	66604	81281	+ 184	+ 353
Total Direct and Grants	82321	67684	82321	---	+ 353

2/ Construction Projects agreed to by OMB represent only those priority projects that fit within total allowed by the President

3/ \$350 thousand for planning for Technical Assistance for detail economic studies was moved from CIP to RAD operations

## Comparison of FY 77, OCM, and Revised FY 1977 Budget Request

(In thousands of dollars)

	(1) President Budget to Congress	(2) OCM Budget Feb. 76	(3) Revised Total	Difference Col. 3-Col. 1	Difference Col. 3-Col. 2
(b) Construction - Detail					
Education Facilities					
a. Elementary, Palau	3,700	3,700	3,500	- 2,200	- 2,200
b. Elementary, Fongae	300	300	300	---	---
c. Secondary, Marshalls	165	165	165	---	---
d. Secondary, Fongae	2,200	2,200	---	- 2,200	- 2,200
e. Secondary, Truk	335	335	335	---	---
	700	700	700	---	---
Public Health Facilities					
a. Hosp. Desi Jm, Marshalls	535	85	85	- 450	---
b. Mortuary Hosp., Truk	450	---	---	- 450 1/	---
	85	85	85	---	---
Local Affairs Facilities					
a. Fire Truck, Palau	118	118	118	---	---
b. Fire Truck, Truk	59	59	59	---	---
	59	59	59	---	---

1/ Agreed that this item could be deferred until FY 1978.

## Comparison of 1977, CCA, and Revised FY 1977 Budget Request

(In thousands of dollars)

	(1) President Budget to Congress	(2) COM Budget Feb. 76	(3) Revised Total	Difference Col. 3-Col. 1	Difference Col. 3-Col. 2
<u>Water and Development Facilities</u>					
A. Marine res. facility, Ponape	300	300	300	---	---
B. Rice Irrigation sy., Ponape	200	200	200	---	---
	100	100	100	---	---
<u>Community Development</u>					
Civic Action Teams	330	330	330	---	---
	7,676	7,676	7,695	- 71	- 71
<u>Water, Sewer &amp; Power Facilities</u>					
A. Water study - GPII side	87	87	87	---	---
B. Water sup., Marianas	160	160	160	---	---
C. Water supply, Marshalls	300	300	300	---	---
1. Water sup., Palau	610	610	610	---	---
2. Water line ext., Ponape	100	100	100	---	---
3. Water sup., Iruk	970	970	970	---	---
4. Water sup., Marianas	368	368	368	---	---
5. Power plant, Marianas	3,373	3,373	3,302	- 71	- 71
6. Power generation, Marshalls	205	205	205	---	---
7. Power generation, Palau	470	470	470	---	---
8. Power generation & dist., Ponape	450	450	450	---	---
9. Power generation & dist., Truk	643	643	643	---	---
<u>Water &amp; Sewer Facilities</u>	321	321	321	- 250	---
A. Heavy Const. & Maint. Equipment	41	41	41	---	---
B. Emergency & Minor Constr.	350	100	100	- 250	---
<u>Construction Support</u>	1,000	1,700	600	- 400	- 1,100
A. Comb. support	1,000	700	600	- 400	- 100
B. Technical assistance	---	1,000	---	---	- 1,000 1/2

1/ \$200 thousand was accrued upon for Technical Assistance but was transferred to Resource &amp; Development in Operations

## Comparison of 1977, COM, and Revised FY 1977 Budget Request

(In thousands of dollars)

	(1) President Budget to Congress	(2) COM Budget Feb. 76	(3) Revised Total	Difference Col. 3-Col. 1	Differences Col. 3-Col. 2
<u>Crus. and Comm. Facilities</u>					
a. Bases, Palau	7,370	13,542	11,970	+ 4,600	- 1,572
b. Bases, Pongape	---	1,000	850	+ 850	- 150
c. Fort Facilities, Marshalls	---	1,200	1,050	+ 1,050	- 150
d. Eweye Dock, Marshalls	770	770	770	---	---
e. Dock/Harbor, Rusaie	200	200	200	---	---
f. Ewen Dock ext., Truk	---	1,200	1,200	+ 1,200	---
g. Ewen Dock ext., Truk	---	1,222	---	---	- 1,222 2/
h. Airfield, Pongape	2,000	2,000	2,000	---	---
i. Interisland ships	---	1,550	1,500	+ 1,500	- 50 3/
j. Interisland ships	4,400	4,400	4,400	---	---
<u>General Support Facilities</u>					
a. Admin. Bldg. Desg., Palau	120	1,000	200	+ 80	- 800
b. Admin. Bldg. Desg., Marshalls	60	---	---	- 60	---
c. A & E, Capt. of Micronesia	60	---	---	- 60	---
<u>TOTAL CONSTRUCTION</u>	21,600	1,000	200	+ 200	- 980
		28,692	22,909	+ 1,309	- 5,783 2/

2/ Agreed to defer to FY 1978

3/ Reduction of Air Terminal Design Work

2/ Agreements reached on construction priorities - with COM were to come within total allowed by the President.

## STATUS OF BUDGET AGREEMENT

Senator STEVENS. I think the better part of valor is for us not to try again to highlight the differences, but to try to see if we can understand the accord. And for that reason we will submit to you a written questionnaire to make certain that we understand the agreement.

I don't think it would be a real contribution to go into the dispute. It has now been settled. Is that not correct, gentlemen, it has now been settled? Are you in accord with this presentation that was made to us today on a joint basis?

Mr. OLTER. Mr. Chairman, yes, we have reached general agreement. And with your permission I would like to read, for Congressman Setik, our chairman, and myself, our prepared statement.

## STATEMENT OF CONGRESS OF MICRONESIA

Senator STEVENS. All right. Why don't you give us your statement now if you will?

Mr. OLTER. Mr. Chairman, the Congress of Micronesia took serious issue with the Office of Management and Budget allotments of proposed funding in the fiscal year 1977 budget request and the fiscal year 1976 supplementals for inflation adjustments.

They had arbitrarily raised our operating costs to a level we could not support. At the same time they cut construction of roads, docks and airfield so necessary if we are to be more self-supporting. This made no sense to us and prompted the Congress of Micronesia to submit its own budget for your consideration. We cut wasteful operations increases and restored capital improvements.

On Wednesday, March 10, 1976, the House Interior Subcommittee on Appropriations held a hearing on the trust territory budget. The chairman was understandably disturbed by the difference presented in our budget and that of the Department of the Interior, and he adjourned asking that if possible these differences be settled.

We are pleased to report that the Department of the Interior has been able to accommodate every major concern set forth by the Congress of Micronesia. We fully support the revised budget now before you, as it serves to reduce operating costs in constant dollar terms. Next year, we hope to support before this committee, a budget which is more developmental in nature.

The Congress of Micronesia has funded a comprehensive economic and social development plan for our small country, using United Nations technical assistance.

With your permission, Mr. Chairman, I would like to introduce Mr. Robert Trusk, the senior UN advisor and project manager.

Senator STEVENS. How do you do, sir?

Mr. OLTER. This exercise is vitally needed and has the approval of the Departments of State and Interior. After the Congress of Micronesia has reviewed and approved the plan, steps must be taken to use our financial and manpower resources to implement it. We will be happy to furnish you with copies of these goals and objectives when fully established.

## CAPITAL OF MICRONESIA

You will note a request for \$200,000 to be used for the new capital of Micronesia. Our people attach great significance to this project. As you are aware the capital is now in the Mariana Islands which will shortly be broken off politically from the rest of us. The Congress of Micronesia will supplement this amount with the necessary funds to evaluate possible sites, perform soil studies, establish engineering criteria for infrastructure and prepare funding estimates.

This will produce a plan for review by the Department of the Interior and this committee, indicating the projected size and shape of the capital and the cost to prudently serve the people of Micronesia.

The trust territory authorization bill which is now awaiting Presidential signature, allows the trust territory government to seek \$86,480,000 for fiscal year 1977. The Office of Management and Budget allowed the Department to request \$82,321,000, which is \$4,159,000 under the ceiling.

The Congress of Micronesia recognizes and appreciates the generosity of the United States over these 30 years of the trusteeship. We realize also the desire of the United States to economize and better balance the budget, thus we understand why the Department was not allowed to request the full authorization.

## CONSTRUCTION PRIORITIES

Should your Committee wish to consider appropriating the additional sums within our ceiling, we urge first that \$1.3 million be restored for the Truk airport. You appropriated this last year but it was reprogrammed due to a misunderstanding between the trust territory administration and some people of Truk.

My colleague, Chairman Setik is from Truk District, and can personally attest to the mishandling of this project which led to the Department's reprogramming.

Second, we request \$2.2 million for a school dormitory on Majuro to house outer island students and for a dormitory and administration building on Jaluit Atoll in the Marshalls. These facilities have been planned for some time but had to be deleted from the Department of the Interior's submission to stay within the OMB allotment. We attach a formal justification for this.

Finally, we must indicate to you our pleasure in the recent management improvements in the trust territory. We are much more confident that capital construction will be handled in a prudent and timely manner and that there will be strict accountability.

The Congress of Micronesia recognizes its ongoing duty to participate more fully in running our government. We know also that funding our government should not be a one-way street, and we pledge cooperation from the Congress of Micronesia in making Micronesia more and more self-supporting.

Senator STEVENS. We will include the attachment to your statement in the record.

Mr. OLTER. Thank you, Mr. Chairman.

[The attachment follows:]

SECONDARY, MARSHALLS - \$2,200,000

There are two public high schools in the Marshalls District. The Marshall Islands High School on Majuro, the district center is projected to have an enrollment of 1,400 students. The newly opened Jaluit High School will grow each year as new facilities are added, up to a planned enrollment of 800 students.

DORMITORY - MARSHALLS ISLAND HIGH SCHOOL - \$775,000

The requested facility is planned as a three-story "H"-shaped, precast concrete building with a central utility core and appropriate recreation, study, and resident advisor space. The facility must accommodate 400 male students in 4-man rooms. Female students are presently housed in the upper floor dormitory of a newly completed vocational arts building on the campus.

Mechanical equipment will be kept to a minimum with air conditioning in selected areas. A basic intercom system to dorm advisor spaces will be included as will a telephone system.

Completion of the new facility will allow the enrollment at the Majuro campus to reach about 1,400 students.

DORMITORY AND ADMINISTRATION BUILDING, JALUIT HIGH SCHOOL - \$1,425,000

Jabwor Island, the site of the Jaluit High School campus, has quite a small land mass; a population of less than 700, and is separated from the district center by a distance of 150 miles. Construction of the new campus has been phased over time to take account of logistical and social constraints.

Phase I has been completed and will allow a ninth-grade class of about 220 students to enter school this October. It is planned to increase enrollment and add additional classes as new facilities become operational. Phase II construction now underway will allow enrollment to grow to more than 400 students when completed in 1977. This is somewhat less than originally programmed because of the rapid rise in construction costs which occurred during the period between the first contract and the second.

Phase III funding of \$1,425,000 is being requested in FY 1977. This amount will be adequate to build a two-story boys' dormitory for 256 students to bring total dormitory space capacity to 384 beds. An administration building for the campus will also be built. When completed, enrollment at the campus will grow to about 800, although additional dormitory space will be needed in the future.

## COORDINATION OF BUDGET PRESENTATION

Senator STEVENS. Thank you very much. I recall a trip Senator Bellmon and I took, I think it was in 1972 or 1971. You all have done a good job. We want to work with you.

Before we get into the budget proposals, let me tell you how I think we will handle that. We will proceed with that the same as we did on the supplemental. I think we ought to submit to each one of you some written questions to make sure we understand the agreement and not waste our time in terms of the past disagreement.

I will say this. I know the gentlemen from the Congress of Micronesia would agree that we should not have a repeat of this problem next year. We should have some preappropriations committee coordination, a prehearing coordination of the budget positions that you have. Hopefully you will have that before the budget request is submitted because I do not think that we ought to have a situation where this leads to a potential confusion. The Congress of Micronesia can only be the loser if there is misunderstanding as to a request.

It is very easy just to write it off and say come up again next time. I am sure the House committee has made a similar request. We certainly hope you will coordinate this long in advance next year.

Mr. ZEDER. Mr. Chairman, I have been assured by representatives of the Congress this will not happen again. I share your views.

## PREPARED STATEMENT OF HIGH COMMISSIONER

Senator STEVENS. Commissioner Johnston, we will print your prepared statement in the record at this point. I don't believe there is any need to provide the highlights. We will simply proceed with the hearing.

[The statement follows:]

Mr. Chairman:

In the "State of the Territory Message" which I delivered at the opening of the Second Session of the Sixth Congress of Micronesia on January 14, 1976, I noted that 1975 was a tremendously important year in Micronesia's long history. The people of the Mariana Islands District chose, by an overwhelming margin, to adopt a Covenant in close association with the United States. Representatives of all six districts developed and signed a draft Constitution to establish the "Federated States of Micronesia" on termination of the Trusteeship. The Trust Territory Government, in a joint effort with the United Nation's development Programme, embarked on a study of Micronesian resources designed to establish a plan for the comprehensive development of the Micronesian economy. In another joint effort, the Trust Territory Government, in close cooperation with the Department of the Interior, has undertaken a program to completely revamp the long-outmoded system in use for management of the Government's fiscal resources.

I also noted that perhaps the most important advance made during 1975 was the milestone reached late in that year when all six districts were headed, for the first time, by Administrators indigenous to their respective districts and five of the six Deputy District Administrators now meet the same qualification. It was further noted that 6 of 8 major operating departments are now headed by well-qualified Micronesians and many of the supervisory positions in these departments are held by equally qualified Micronesians. In short, we are making great progress in moving capable Micronesians into positions of top-level authority and responsibility in the Trust Territory Government in preparation for the day when the Trusteeship is terminated and Micronesia becomes self-governing for the first time since Spain occupied these islands over 400 years ago.

My pleasure in having this opportunity to present and discuss the Trust Territory Government's fiscal year 1977 budget is somewhat tempered by the fact that, while there appears to be a \$8 million increase in our \$82.3 million estimate to support our basic program for FY77 over FY76, such a comparison is essentially meaningless if it is understood that our FY77 estimate is expressed in FY76 current dollars and the basic program portion of our FY76 current appropriation of \$80.3 million is expressed in FY75 constant dollars. To get a meaningful comparison between our proposed FY76 and FY77 basic program support levels, both estimates should be expressed in either current or constant dollars for the same fiscal year.

Under the terms of our authorizing legislation for fiscal years 1976 and 1977, the base figures for the basic program for both years are expressed in FY75 constant dollars. These base figures are to be adjusted to current dollars for each fiscal year by applying to the base constant dollar figures any change (plus or minus) reported in the Gross National Product Implicit Price Deflator, from June 30, 1974, to June 30, 1975, in the case of the FY76 proposed support level, and from June 30, 1974, to June 30, 1976, in the case of the FY77 proposed support level.

In accordance with this principle, the \$76.2 million current appropriation for FY76 to support our basic program should be supplemented by the proposed appropriation of \$6.5 million to get to a FY76 appropriation of \$82.8 million in FY76 current dollars in order to provide a meaningful comparison with the FY77 \$82.3 million estimate for support of our basic program, which is also expressed in FY76 current dollars. It becomes clear, then, that rather than a \$6 million increase requested for support of our FY77 basic program over the FY76 level, we are requesting a half-million dollar decrease in terms of comparable FY76 current dollars.

For the convenience of the Committee members in following this rather esoteric approach to budgeting, which was devised for a rather unique situation, there is appended to this statement a table which shows the distribution, by budget activity: in column (1), of the current FY76 appropriation expressed in FY75 constant dollars; in column (2), of the adjustment required to convert the column (1) figures to FY76 current dollars shown in column (3); in column (4), of the proposed FY77 base appropriation expressed in FY76 current dollars; and, in column (5), of the column (4) figures compared to the column (3) figures. It must be noted, of course, that the FY77 figures in column (4) are subject to adjustment from FY76 current dollars to FY77 current dollars when the change in the Gross National Product Implicit Price Deflator Index from June 30, 1975, to June 30, 1976, is reported. The most important point to be noted in all this is that changes in the governing index are well beyond the control of the Trust Territory Government and that this rather unusual method of budgeting was devised to safeguard from fluctuations in the purchasing power of the United States Dollar long-range projections of the fiscal support levels to be provided by the United States Government for the Trust Territory during the waning years of the Trusteeship.

It can readily be seen from the attached table that the less than a half-million dollar decrease in basic program funding proposed for FY77, as compared to FY76, is a net figure derived from a \$1.7 million increase in operations' funding, which is more than offset by a \$2.2 million decrease in construction, or Capital Improvement Program, funding. Further, it can be seen that the \$1.7 million increase in operations funding is a net increase derived from a total increase of \$2 million proposed in funding certain major activities which is only partially offset by a small decrease in funding other activities.

The \$60.7 million requested for the support of Trust Territory Government operations during the FY77 makes no provision for starting any new programs but simply carries forward for another year the basic program of administering the Trusteeship in accordance with the obligations assumed by the United States Government under the Trusteeship Agreement with the Security Council of the United Nations. The \$1.7 million increase in these costs over FY76 is due largely to the need to staff, equip, operate and maintain new facilities (medical, educational, public works, etc.) which will be completed in FY's 76 and 77, and to cover the full-year costs of the increased salary schedule for Trust Territory Public Service employees made effective on November 23, 1975,

in accordance with Public Law 6-65, enacted by the Congress of Micronesia.

The \$21.6 million requested for support of the FY77 Capital Improvement Program reflects the continuing emphasis being placed on putting in place, prior to termination of the trusteeship, the basic infrastructure (utilities, roads, docks, airport, medical, education, legislative, judicial and administrative facilities) required to meet the social needs of the Micronesians and promote the economic development of Micronesia. Of the \$21.6 million requested: \$7.7 million is required for water, sewer and power facilities; \$7.4 million for transportation and communications facilities (including \$4.4 million for interisland field trip ships); \$3.7 million for educational facilities, and \$2.8 million for other facilities and support of the construction program.

Mr. Chairman, this concludes my written statement, and I am prepared to respond to the Committee's questions on these and any other matters related to the administration and funding of the Trust Territory Government.

## COMPARATIVE TABLE OF FY76 AND FY77 FUNDING

(New Obligational Authority--In Thousands of Dollars)

	Fiscal Year 1976			FY 77 Budget Request	FY77 Bud. Req. Compared to FY76 Tot. NOA	
	Presently Appropriated (1)	Supplemental Request (2)	Total NOA (3)		(4)	(5)
					Amount	%
<b>Direct Appropriations</b>						
Hicom	467	23	490	514	+24	+4.9
HiCourt	439	-	439	460	+21	+4.8
Comptroller	225	15	240	250	+10	+4.2
TOTAL	1,131	38	1,169	1,224	+55	+4.7
<b>Grant-Operations</b>						
Health	8,747	1,072	9,819	10,253	+434	+4.4
Education	13,362	937	14,299	15,225	+926	+6.5
Public Affairs	1,724	141	1,865	1,836	-29	-1.2
Resources	5,710	343	6,053	5,871	-182	-3.0
Legal Affairs	2,873	276	3,149	3,095	-54	-1.7
Admin	5,981	794	6,685	6,769	+84	+1.3
T & C	3,789	170	3,959	3,904	-55	-1.4
Public Works	11,584	433	12,017	12,544	+527	+4.4
TOTAL	53,679	4,167	57,846	59,497	+1,651	+2.9
Total Oper.	54,810 1/	4,205	59,015	60,721 1/	+1,706	+2.9
Construction	21,500	2,275	23,775	21,600	-2,175	-9.1
TOT. Basic Prog.	76,310	6,480	82,790	82,321	-469	-0.6
E.D.L.F.	1,000	-	1,000	-	-1,000	-100
Bikini Ex- Gratia	3,000	-	3,000	-	-3,000	-100
Nor. Mar. Transit	-	1,500	1,500	-	-1,500	-100
TOTAL	80,310	7,980	88,290	82,321	-5,969	-6.8

1/ Includes amounts required for Federal Civil Service salary increases effective October 6, 1975: FY76 -114; FY77-160.

## SUPPLEMENTARY STATEMENT

Mr. Chairman:

In the interest of saving a little time, I thought it might be appropriate if we resumed the hearing this morning by noting that: (1) Agreement has been reached on a set of estimates for the Fiscal Year 1976 and Transition Quarter supplementals and for the Fiscal Year 1977 budget; and, (2) that the revised estimates have been approved by the Office of Management and Budget for presentation to the Committee.

With regard to the supplemental estimates, the significant differences between the two sets of estimates presented to the Committee were resolved as follows:

- (1) Operations: \$4.1 million is requested in lieu of \$6.3 million proposed in the President's budget and \$3.9 million proposed by the Congress of Micronesia--an increase of \$.2 million over the Congress estimate, but \$2.2 million below the Administration estimate.
- (2) Construction: \$4.6 million is requested in lieu of \$2.3 million proposed in the President's budget and \$4.3 million proposed by the Congress of Micronesia--an increase of \$.3 million over the Congress estimate and an increase of \$2.2 million over the Administration estimate. That increase provides for the restoration of construction funds reprogrammed in FY '75 to cover operating costs not provided for in the FY '75 supplemental appropriation.

With regard to the FY '77 estimates, the significant differences between the two sets of estimates presented to the Committee were resolved as follows:

- (1) Operations: \$58.4 million is requested in lieu of \$59.5 million proposed in the President's budget and \$58.0 million proposed by the Congress of Micronesia--an increase of \$.4 million over the Congress estimate, but \$1.1 million below the Administration estimate.
- (2) Construction: \$22.9 million is requested in lieu of \$21.6 million proposed in the President's budget and \$28.7 million proposed by the Congress of Micronesia--an increase of \$1.3 million over the Administration estimate, but \$5.7 million below the Congress estimate. This large decrease in the Congress estimate reduces the total estimate to match the Administration total.

From this brief description of the agreement reached in resolving the differences between the two sets of estimates, it can be seen that the Administration's operations estimates have been drastically scaled down in response to the Congress of Micronesia's insistence that operations costs be curtailed in favor of increasing funds available for the capital improvement programs. I can assure you that both sides are in wholehearted agreement on the revised estimates, and we apologize for our not having reached that agreement prior to the initial hearing on these estimates.

We have supplied tables to the Committee showing the revised budget and comparing it with the original and that of the Congress of Micronesia.

## COMMONWEALTH PROCLAMATION

Senator STEVENS. Will there be some sort of a celebration once this proclamation is signed? What is the procedure that is going to go forward?

Commissioner JOHNSTON. It is my understanding Mr. Chairman, that there will be a holiday in the Marianas District as soon as the covenant is signed by the President and it becomes official.

The celebration for the balance of Micronesia will be postponed, at least sometime until their constitution is adopted and they too have reached an accommodation with the U.S. negotiating team, at which time the trusteeship will be officially terminated.

## TTPI AUTHORIZATION

Senator STEVENS. All right. Let's get to this authorization. What is the authorization for this year? Is it a formula for the inflation factor? Has that been finally determined by the Congress now?

Commissioner JOHNSTON. Yes. The authorization is basically \$80 million plus such amounts that were authorized but not appropriated for fiscal year 1975 and up to but not to exceed—Oh, that dropped out.

Has the final version been adopted by both houses?

Mr. CROSSON. I understand it has, but we don't have a copy.

Senator STEVENS. Has it been signed by the President yet?

Commissioner JOHNSTON. No.

Senator STEVENS. I see. Have you adjusted your presentation here based on this informal agreement that everything has been reported to you and asked by the opposition? Is this within the level of an agreement?

## INFLATION ADJUSTMENT

Commissioner JOHNSTON. Yes, sir. It is. This includes, Mr. Chairman, an adjustment to convert to constant dollars based on the gross national product implicit price deflator.

Senator STEVENS. I will have to go back to school to learn about this business because cyclical problems—what is the new cyclical deflator? We now have a—what do you have, some kind of deflator now?

The money goes up as the beam goes down. Is that it?

Commissioner JOHNSTON. That seems to be it, Mr. Chairman. I commented on that at some length in the prepared statement which was submitted for the record.

Senator STEVENS. Do you expect you will be back here with a supplemental?

Commissioner JOHNSTON. That is correct. We must come back for a supplemental each time we reach another period in time when the authorization formula involving the gross national product implicit price deflator takes over.

Senator STEVENS. When good times come about are you going to come back and give us back some money?

Commissioner JOHNSTON. It all depends on the index, Mr. Chairman. If the index should take a trend different than what it has taken for the past several years, there would be an entirely different ball

game. But if it continues on the same trend it has been on, it would call for an increase each year.

#### COMMONWEALTH FUNDING

Senator STEVENS. All right. These are authorization bills. Do they set the Commonwealth apart from the rest of the trust territory as far as the use of the funds?

Commissioner JOHNSTON. Not for fiscal 1977, no, sir.

Senator STEVENS. Is the 1977 budget presentation sufficient to take care of not only the commonwealth, but the rest of the Micronesian area?

Commissioner JOHNSTON. That is correct.

Senator STEVENS. Is there any dispute over the part that does not apply to the activities of the Congress of Micronesia?

Commissioner JOHNSTON. Not that I know of, sir. I think we have reached an accommodation on that, an agreement.

Senator STEVENS. I see. What amount of the budget is actually going to be used in the commonwealth, and what for the balance in Micronesia?

Commissioner JOHNSTON. \$11,475,000 of the \$82.3 million in the revised budget.

Senator STEVENS. Which side will get what?

Commissioner JOHNSTON. The amount which will be turned over to the Northern Marianas under separate administration is \$11,475,000. That leaves a balance of \$70.8 million for the other five districts of the trust territory.

Senator STEVENS. There is \$14 million plus provided for the commonwealth in the covenant funding; is that correct?

Commissioner JOHNSTON. That is correct.

Senator STEVENS. Is that in here?

Commissioner JOHNSTON. No, that is not in here.

Senator STEVENS. When does that start?

Commissioner JOHNSTON. That gets into the political status field.

Senator STEVENS. You can tell us then.

Mr. PANGELINAN. That amounts on the constitution of the Marianas and the group of, either the President of the United States or the Constitution. We hope that would be approved by 1978.

Senator STEVENS. Is there going to be any additional funding that is required for that in regard to the \$14 million this year? Is there any possible way of enforcing the \$14 million when it becomes available in this fiscal 1977 budget?

Mr. PANGELINAN. Not in the budget.

#### AUTHORIZATIONS

Senator STEVENS. Are there any features of the authorization legislation that would give rise to additional obligations on the part of the United States that are not included in this budget?

Mr. ZEDER. There is nothing projected at this time.

Senator STEVENS. Do you have any projected obligations that are not included in this budget?

Mr. BETTENBERG. Mr. Chairman, the amounts that would be authorized by the new authorization bill are somewhat larger than the amounts we requested for appropriation.

Senator STEVENS. I understand that. I am talking about obligations such as the \$14 million. Are there any other obligation amounts? Any other authorization legislation that this committee has not been informed of?

Mr. BETTENBERG. No, sir, there are not.

Senator STEVENS. Are there any negotiations that are pending?

Mr. PANGELINAN. There only is the ability to participate in the various Federal programs that would be extended to the Marianas under the covenant. We believe that would be sufficient.

Senator STEVENS. That would be general programs that apply?

Mr. PANGELINAN. Precisely.

#### ZEDER REPORT

Senator STEVENS. Thank you very much.

Now, Mr. Zeder, we are interested in these problems of management difficulties that you have talked about. I am sure you know of the vast criticism of the operations of construction programs and the administration of those programs. Have there been any reprograms or major shifts in funds that were not reported in advance to this committee?

Commissioner JOHNSTON. No, sir. Not to my knowledge there haven't.

Senator STEVENS. Do you know of any, Mr. Zeder?

Mr. ZEDER. No, sir, I do not.

Senator STEVENS. The Senate Interior Committee staff report on the trust territories' mismanaged public works program we all know about. We welcomed your report, Mr. Zeder.

We had to cut back funding to the trust territory on more than one occasion because of these problems. You have taken some corrective action. What we would like to know is do you feel that the things you have done will sufficiently carry out these directive actions so that we will not have these problems in this budget?

Mr. ZEDER. Yes, sir, I do. I have my deputy, Mr. Emmet Rice in the territory now carrying out the third phase of this operation which is the implementation of the action that we have taken. The daily reports I get from him are very encouraging, that things are beginning to fall into shape.

I would like to acknowledge, also, at this time, the cooperation we have had from the High Commissioner and his staff in the implementation of these recommendations.

Senator STEVENS. And you made a comment about the problem of the current bankruptcy?

Mr. ZEDER. Yes, sir.

#### SOLUTIONS TO CURRENT PROBLEMS

Senator STEVENS. What is your recommendation on that? What is your solution going to be? Have you got one yet?

Mr. ZEDER. No, sir, I have no specific solution yet. I recognize the necessity, however, of putting together a viable economy in Micronesia. I think we have got to reduce government costs and at the same time increase our ability to raise capital locally to sustain their government on their own in a period of 5 years when the

presence of the United States will not be as prominent as it is in the trust territory.

It is a big job. I appreciate the interest and the understanding of the Congress of Micronesia in the importance of this job. Specific programs for the development of this are yet to be developed, but I think our first step again is taking a realistic look at where we are today and what needs to be done. We have made great progress in recognizing the problem.

The solution to the questions that we have must be developed in an orderly way. I wish to compliment again the Congress in their budget requests for additional funds for resource and development programs. I think this is in keeping with what our future thrust must be in the trust territory.

#### DECLINING FINANCIAL COMMITMENT

Senator STEVENS. We look forward to working with you on it. I must say that the strength of your remarks are sort of startling. I did not know that the economic situation was that weak in terms of current projections for self-sufficiency.

It is my understanding that at the end of 5 years there is a declining commitment as far as financial obligations for special funds. There is still a continuing commitment for participation in general U.S. programs. Is that right?

Commissioner JOHNSTON. That is correct, Mr. Chairman. This arose from an informal agreement made between Ambassador Williams and his status negotiating team and the Joint Committee on Future Status of the Congress of Micronesia. In the most recently concluded session of the Congress of Micronesia, the opinion was expressed by several of the congressional leaders that they might request that this period be extended because of the problems of relocating the capital and the somewhat involved process of adopting a constitution at the same time, negotiating a future status with the government.

But the plan is a very firm one and has been very widely discussed and does include a phasing down of U.S. contributions. Particularly in the field of capital improvements, and to a lesser degree, but a very definite decrease in expenditures for operations and administration.

That is one of the reasons that the decentralization program which is now being discussed and implemented will be of great future benefit to the new government of Micronesia.

#### WAR CLAIMS

Senator STEVENS. Are the war claims problems solved now?

Commissioner JOHNSTON. I wish I could honestly tell you, Mr. Chairman, that they are completely solved. The War Claims Commission has indicated to us that it will finish its work in July of 1976. However, there will be a gap between the amount of money which has been made available both under title I and title II of the Claims Act and the amount of money that will be awarded to claimants. This is a matter that will have to be posed separately.

Another problem that we have, you will recall, Mr. Chairman, that the Japanese contribution is equal to the U.S. contribution under

title I of the ex gratia payment to Micronesia, but its contribution was in goods and services, whereas the U.S. contribution was in cash.

We have only until October of 1976 to commit all the funds available in goods and services from the government of Japan. It is rather a complicated process, and it will require a masterful effort in which we must have the full cooperation of the Interior Department and the entire trust territory government to try and make sure that we meet the deadline of committing all the funds so that the Japanese goods and services through this elaborate and complicated process can be converted into cash for the claims.

But we are working on these problems. We are getting regular weekly reports which we send in to Mr. Zeder, and I believe that we will be able to solve all of the problems prior to the time that our time runs out in October of 1976.

The appropriation of additional funds is a matter which will have to be taken up separately with the Congress of the United States.

#### LOCAL REVENUES

Senator STEVENS. I think the problem of local revenues is a disturbing one. I am going to ask the Chairman. I think we ought to send some staff people out to confer with you to see what we are getting into down the road as far as commitments. I have lived through that transition period, too. It is tough when the money runs out, unless you want to discover oil I hope you do like we did. So we are all right now or will be soon. But you certainly have a problem that you are facing with a decline in Federal transition grants and increasing government responsibility and declining local revenue base.

I think we should give the chairman a note to see what we are looking for. You say you want to build a capital base out there from the local revenues. I don't see how you can do it, Mr. Zeder, with such stark statistics that you have just repeated. I don't know how you will ever get a capital base out of any income below the amount to stay in government at the present time.

Mr. ZEDER. It is going to be a very difficult job, Mr. Chairman.

Senator STEVENS. You have how much in here for research this time in terms of economic development?

Commissioner JOHNSTON. We have in the revised budget a total of \$6,252,000 for resources and development and \$380,000 of this is planning for technical assistance for detailed economic studies which was moved up from the capital improvements program to R. & D. operations in connection with the development of our balanced economic development plans for the trust territory.

#### CLAIMS

Senator STEVENS. Pardon me. Is there any money in here for the claims at all?

Commissioner JOHNSTON. No, sir, not at all.

Senator STEVENS. Is that problem that I heard—Mr. Nabors had a problem about attorneys' fees on that claim. Has that been settled?

Mr. ZEDER. No, sir.

Senator STEVENS. Is that going to lead to additional appropriation, or was that a negotiation? What is the status of that?

Mr. ZEDER. It is under negotiation at the present time. I don't believe it has yet been determined where it is going to lead.

Mr. BETTENBERG. As I understand it all of the authorization has been appropriated, Mr. Chairman. So it would be a matter, if the additional appropriations would be required, it would be a matter of additional authorizations.

Senator STEVENS. I see Mr. Nabors shaking his head about that. If you want to submit a statement for the record, Mr. Nabors, we would be happy to have it. We should not have any festering claims hanging around when we are trying to settle claims. We might as well settle attorneys' claims as well as anybody's claims. Being an old attorney I like to see them get settled once in awhile, too.

But in all seriousness we face that problem now. We have disagreements over these things in 1971, and I found that two-thirds of the Interior Committee who passed the bill have retired from the Senate. I was trying to explain to them what happens and nobody remembers exactly what happened.

This thing ought to be tied down on the record. What your point of view is, what his point of view is, and see if we cannot work it out so we don't face this thing in 1981, trying to figure out who should have paid whom. That is what is going on up our way now. It does not make any sense.

#### COMMONWEALTH FUNDING

Senator STEVENS. Commissioner Johnston, does the revised budget have OMB approval?

Commissioner JOHNSTON. Both the revised supplementals and the fiscal year 1977 estimates have been cleared with the Office of Management and Budget for submission to the Committee.

Senator STEVENS. Please submit for the record a definition by activity and subactivity those portions of the fiscal year 1977 revised budget request that will fall within pending Northern Marianas Commonwealth.

Commissioner JOHNSTON. Certainly, sir.

[The information follows:]

## DISTRIBUTION BY ACTIVITY OF FUNDS INCLUDED IN THE TTPI BUDGET FOR THE NORTHERN MARIANAS

[In thousands of dollars]

	Northern Marianas	Other districts	Total fiscal year 1977
1. Direct funds .....		1,040	1,040
2. Grant:			
a. Operations:			
Health .....	1,041	8,809	9,850
Education .....	1,537	13,163	14,700
Public affairs .....	136	1,694	1,830
Resources and development .....	710	5,542	6,252
Protection of persons and property .....	424	2,671	3,095
Administration .....	418	6,271	6,689
Transportation and communications .....	235	3,653	3,888
Public works .....	3,204	8,864	12,068
Total operations .....	7,705	50,667	58,372
b. Construction:			
Water system expansion .....	160		160
Sewer system expansion .....	308		308
Power plant construction .....	3,302		3,302
Other district construction .....		19,139	19,139
Total construction .....	3,770	19,139	22,909
Total direct and grants .....	11,475	70,846	82,321

Senator STEVENS. How is it planned to submit future budget requests for Micronesia to accommodate the creation of the commonwealth?

Commissioner JOHNSTON. Beginning in fiscal year 1978, the Northern Marianas Commonwealth will submit a separate budget covered under its authorization of \$14 million. The remaining districts of Micronesia will submit their own budget request covered under the trust territory authorization.

## REORGANIZATION

Senator STEVENS. Mr. Zeder, you also recommended a new organization structure for the trust territory, including decentralization of government. Where does this recommendation stand?

Mr. ZEDER. As I have previously testified, positive actions are being taken to begin the decentralization. We are in the process of establishing a plan for an effective and orderly plan of decentralization.

Senator STEVENS. Is there anything in this budget specifically and directly to start reorganization and decentralization aside from more studies?

Mr. ZEDER. There is no specific mention of the reorganization, or the decentralization, in the fiscal year 1977 budget. Other than studies to find employment in the private sector for those employees whose jobs will be eliminated, no other major studies are planned except for the drafting of the plan for decentralization.

Senator STEVENS. You said decentralization, long promised but never achieved, should be made a crash program. What has been done to start this program, and what will it cost?

Mr. ZEDER. We have, as I have said before, with the cooperation and approval of the Congress of Micronesia and all district leaders, begun to form a comprehensive and sweeping plan designed to decentralize the headquarters complex on Saipan. Actions will be underway during fiscal year 1977 to trim the headquarters staff, and begin the relocation of the administrative functions—the day-to-day operational personnel to the various districts in the territory.

It is anticipated that savings resulting from the trimming of the headquarters operations will provide the necessary one time relocation costs of the decentralization. Although we do not have at this time firm cost figures for the decentralization, we feel that it can be accomplished within the available budget resources and that it will not impact or take funds away from any of the operational programs.

#### INFRASTRUCTURE

Senator STEVENS. Your report devotes considerable attention to the trust territory infrastructure and suggests some very basic policy changes. Is any of that philosophy reflected in either of the budgets before us today?

Mr. ZEDER. Yes, in our compromise with the Congress of Micronesia, the philosophy of assigning higher priorities to those infrastructure projects that contribute to the advancement of the economy versus those projects which do not was taken into consideration.

Senator STEVENS. Does the capital improvements budget before us now for fiscal year 1977—either the Department's or the Micronesian Congress or the joint revision—respond to a more basic and realistic infrastructure designed to support economic development as set out in the Zeder report?

Commissioner JOHNSTON. The agreed version of the fiscal year 1977 capital improvements budget does respond to a more basic and realistic infrastructure designed to support economic development as set out in the Zeder report.

Senator STEVENS. Are the construction estimates more complete and realistic or are we still looking at half the expense?

Commissioner JOHNSTON. The fiscal year 1977 budget estimates for construction were cast in terms of fiscal year 1975 constant dollars partially adjusted to fiscal year 1976 current dollars. They do not provide for any fiscal year 1977 inflation factor. In this regard the estimates are complete and realistic. Once the third quarter GNPIPD index for calendar year 1976 is known, projects will be reviewed to see if changes in the GNPIPD have affected the costs of labor and materials. In this way we can avoid projecting cost increases which may or may not take place. For those projects which are then projected to have cost increases additional funding will be sought in a fiscal year 1977 supplemental as provided for in the trust territory authorization bill.

#### CONSTRUCTION MANAGEMENT

Senator STEVENS. Is the plan to have Navy contract officers take over construction management now being put into effect?

Commissioner JOHNSTON. The agreement with the Naval Facilities Engineering Command to manage the trust territory construction pro-

gram was signed on February 10, 1976, is now in effect, and implementation is presently underway.

Senator STEVENS. Why aren't public works administration costs being reduced as a result of this new system of managing construction?

Commissioner JOHNSTON. The \$1 million estimate included in the construction portion of the original estimates for Public Works Department administration of the capital improvement program has been reduced to \$600,000 in the agreed revision of the budget. Those funds are our minimum estimate of reimbursable costs we will incur in fiscal year 1977 under the agreement with the Naval Facilities Command.

Senator STEVENS. The report is critical of plans for the Micronesian Community College. Are there any funds in this revised budget that are tied to college construction in any way?

Commissioner JOHNSTON. There are no funds in the fiscal year 1977 budget estimates that are tied in any way to construct facilities for the Micronesian Community College.

Senator STEVENS. What is Congress of Micronesia's response to the Zeder report?

Mr. OLTER. The Congress of Micronesia agrees that management must be improved, accountability must be strict. Capital improvements placement must be handled by more qualified people and that responsibility must be decentralized to the districts. The statement that Micronesia on its own is bankrupt is certainly an indictment of the poor job that has been done in terms of economic development. Micronesians will be most pleased to see development given a higher priority after 30 years of trusteeship.

#### INFRASTRUCTURE REVISION

Senator STEVENS. Do we have anything that represents an overall infrastructure plan as far as construction goes? Is it being revamped?

Commissioner JOHNSTON. The \$145 million infrastructure construction program for fiscal years 1975 to 1980 will need to be reconsidered in the light of the Zeder report and the shortfall in funds provided for fiscal years 1975 and 1976 and requested for fiscal year 1977.

Senator STEVENS. Where do we stand on the basic capital improvements plan? As far as the various types of facilities, as categorized in the budget, how far have we gone and how far do we have to go?

Mr. ZEDER. As I indicated earlier, we are in the process of establishing a firm and binding list of priorities for capital improvement projects and civic action programs within clearly understood budget restraints.

This, of course, is being accomplished with the cooperation of the district leaders, district administrators, and the Congress of Micronesia. For the first time, the people in the trust territory are facing up to the realities of the situation that they have only 5 more years to select and put in place an infrastructure that they on their own will be required not only to maintain but also to count on for the revenues required to sustain continuing improvement in the standard of living that Micronesians select and deserve.

Based on the time frame of fiscal year 1975 to fiscal year 1981 and considering funding request through fiscal year 1977, we are approximately one third of the way in providing the necessary infrastructure by 1981.

#### MICRONESIAN DEVELOPMENT PLAN

Senator STEVENS. Senator Olter, tell us about the comprehensive and balanced development plan now underway which you plan to present in next year's budget.

Mr. OLTER. The plan is being prepared and funded by the Congress of Micronesia with technical assistance from the United Nations development program. The amount appropriated by the Congress of Micronesia is \$170,000. The contributions for UNDP is \$149,000 with an additional \$55,000 made available from the United Nations, the UN Economic and Social Commission for Asia and the Pacific, and the UN Asian Development Institute, Bangkok.

The plan is being prepared in two phases. The first phase will draw up a 5 year indicative development plan and is scheduled for presentation to the Congress of Micronesia at a special session scheduled for July of this year. The indicative development plan will state the overall development objectives for Micronesia, the development strategy and priorities and an estimate of capital requirements. This will be followed by sectoral plans with an identification of development projects and programs wherever possible.

In the planning exercise each district—including Kusaie—will also prepare its overall development objectives and priorities. The Micronesian indicative development plan will actually be the summation of the District plans with additional projects and programs governing all the districts, for example, an interdistrict transportation scheme, the College of Micronesia, the Micronesian Occupational Center, and so forth.

Upon the completion of the indicative development plan and its adoption by the Congress of Micronesia, it will be submitted to the High Commissioner and the Department of the Interior for acceptance and/or revision where necessary. The plan will then become the basis for appropriation requests from the U.S. Congress for fiscal year 1978 and beyond.

The second phase of the planning exercise will begin as soon as the indicative development plan has been adopted. It will consist of detailed sectoral projects including the social sector as well as itemized budgets and a time table for completion.

The format and content of the comprehensive and balanced development plan will be decided at a later date.

#### BUDGET COMPARISONS

Senator STEVENS. On to the competing budgets. The budget submitted by the Department emphasized operating expenses—up nearly \$6 million, while holding capital improvements fairly constant. The Micronesian budget, on the other hand, would cut back on operating costs and boost capital improvements by about \$7 million.

The committee is most interested in the revised budget reductions for operations suggested in line with the Micronesian proposal. Many

of the cuts seem well justified. Do you have any comments on those reductions, Commissioner Johnston?

Commissioner JOHNSTON. As noted in the materials submitted to the Committee on the comparison of the estimates for fiscal year 1977 put forward in the President's budget, the Congress of Micronesia budget and the agreed revised budget, some shifts were made to reduce operational funding and increase construction funding. Certainly, the reduced operational funding will require cutting back the planned level of operations to stay within the lower level of funds requested.

Senator STEVENS. The Micronesian budget makes the point that unobligated carryover funds are available to cover some of the judiciary increase. Why wasn't that considered in the Department's original request?

Commissioner JOHNSTON. The unobligated carryover funds available to cover some of the judiciary's fiscal year 1977 support level is an estimate on the part of the Congress of Micronesia that the \$157,771 unobligated balance at end of fiscal year 1975 will be increased to \$170,000 at the end of fiscal year 1976. As indicated in the original estimates submitted to the committee, that carryover balance was proposed to be utilized during fiscal year 1976 to fund courthouse renovation work and replacement of deteriorated equipment. As indicated in a proposed reprogramming now before the committee, fiscal year 1976 funds for the judiciary of \$139,371 is to be reprogrammed to other areas. Thus with the fiscal year 1975 unobligated balance of \$157,771, plus fiscal year 1976 funds of \$431,600 minus \$139,371, funding for the judiciary for fiscal year 1976 would be \$450,000. This funding level for fiscal year 1976 would provide for operations and courthouse renovation work and equipment replacement.

The Congress of Micronesia did not take into consideration the reprogramming request and assumed that at the end of fiscal year 1976 there would be an unobligated balance of \$170,000. This will not be the case. The funding level now requested in the revised fiscal year 1977 budget for the high court will just about cover operations costs only and will not provide for any further renovation or equipment replacement.

Senator STEVENS. The Micronesian budget also recognized the fact that much of the capital improvements program is to be administered by Navy contract officers and reduces the public works operating and construction support budgets accordingly. Isn't that a good idea?

Commissioner JOHNSTON. It can be seen in the agreed revised estimates that \$476,000 was taken from the Public Works Department operations estimates and \$400,000 was taken from the Construction Support estimates as compared to the estimates included in the President's budget.

Senator STEVENS. Why can't the public works request be reduced even further?

Commissioner JOHNSTON. These substantial reductions made in the fiscal year 1977 support level proposed for the Public Works Department are certain to cut heavily into the Department's capability of not only meeting the continuing responsibility for operating and maintaining the trust territory's infrastructure, but responding to the requirement for upgrading its operation and maintenance capability.

## CAPITAL IMPROVEMENTS

Senator STEVENS. In the capital improvements program, the Micronesian budget placed much heavier emphasis on economic rather than social facilities and proposes increased technical assistance. Much of the Micronesian request is retained in the revised budget. Are the projects in the revised budget in line with the infrastructure policy recommended in the Zeder report?

Commissioner JOHNSTON. The construction projects in the revised budget are, for the most part, in line with the infrastructure policy recommended in the Zeder report.

Senator STEVENS. Commissioner Johnston, why is it that the Department's original budget failed to address plans for a new Micronesian capital, for which the Micronesian budget requested \$1 million?

Commissioner JOHNSTON. We made no effort to include in our basic budget request any provision to address plans for a new Micronesian capital on the basis that we believed any such funding should be separately considered outside our basic authorization. Further, the requirements for a new capital will be heavily affected by the outcome of the current headquarters decentralization studies and the site to be selected for the capital.

Mr. OLTER. Ambassador F. Haydn Williams in November 1975 committed the executive branch to participate in the funding for the planning and construction of our new capital. The High Commissioner's budget was sent to the Department of the Interior in October. The Department subsequently agreed in the revised budget to a reduced request of \$200,000 by the Congress of Micronesia to do preliminary A & E work. The preliminary estimate for this phase of the project is \$300,000. The Congress of Micronesia intends to appropriate funds to cover the difference.

## PERSONNEL

Senator STEVENS. The Department's original 1977 budget, while described as a level one, included an increase of 210 public service jobs against a reduction of only six civil service positions. What personnel increase is included in the revised budget?

Commissioner JOHNSTON. The agreed revised budget, with its substantial reduction in the operating support level for fiscal year 1977, will require reconsideration of the operating level originally planned for fiscal year 1977. Obviously, the first place we will look to in order to reduce operating costs will be the elimination of new positions proposed in the originally planned level of operations.

Senator STEVENS. Why did you propose a net gain of 27 positions under administration in the original budget?

Commissioner JOHNSTON. The original request for the increased positions applied to three major areas. Seven positions were for the new district of Kusaie to provide for district administration. Eighteen positions were for finance and supply functions in all the districts to provide the necessary personnel to implement and run the new financial management system now being installed. Two positions were for the territorial planning office who would assist in the development of the comprehensive plan now underway.

Senator STEVENS. Are new positions for the new Kusaie District office included in the revised budget? Can't staffing be accomplished through the transfers or offsetting reductions?

Commissioner JOHNSTON. Yes, there will be new positions required for the new Kusaie District office. However, due to the reduced operating level agreed to in the revised budget, it will be necessary to reevaluate the staffing level for the Kusaie District. No doubt once a complete analysis of staffing at the reduced operations level is made, the staffing of the Kusaie District could be made by transfers or offsetting reductions.

#### FINANCIAL MANAGEMENT SYSTEM

Senator STEVENS. What is the total cost of the 2-year program to develop an improved financial management system, and how much is provided in this budget request?

Commissioner JOHNSTON. The initial cost estimate for implementing an improved financial management system in the trust territory was \$300,000 over a 2-year period. After nearly 1 year of work on the project, it now looks more like a 3-year project with a total cost in excess of \$650,000. The revised fiscal year 1977 budget request includes \$250,000 for this purpose.

#### COMMUNITY COLLEGE COSTS

Senator STEVENS. You requested four new positions for the Community College of Micronesia in the original budget. Are they retained in the revised budget? Is the enrollment expanding that much? Please supply enrollment figures for the college for the past 3 years and estimated for 1977.

Commissioner JOHNSTON. At this time I cannot say until a complete staffing analysis at the reduced operations funding levels is done. The increase in enrollment from fiscal year 1974 to fiscal year 1976 was a 62 percent increase in full-time students. Full-time enrollment for fiscal year 1974 was 115; for fiscal year 1975, 122; for fiscal year 1976, 186; and estimates for fiscal year 1977, 200 students.

#### PUBLIC WORKS FUNDING

Senator STEVENS. Why were 10 new positions planned for construction contract administration under the capital improvements program in the original budget? Isn't this function being reduced drastically in favor of Navy supervision?

Commissioner JOHNSTON. At the time the fiscal year 1977 budget was being prepared in July and August 1975, negotiations with the Navy for management of the construction program was only in the talking stage. Without any certainties in this area it was necessary for us to budget for the increased positions if we were to provide for the increased construction program.

The agreement with the Navy was signed early in 1976, and the contract administration has been reduced in the revised budget, as a result of this agreement.

Senator STEVENS. In recommending a smaller budget for the public works department, the Micronesian budget states that greater effort is needed on reimbursable collections. Can you comment on that, Commissioner Johnston?

Commissioner JOHNSTON. A nominal source of public works department funding for the provision of utility services is the collection of charges for utility services provided. Generally, these services only are provided in the district centers at the present time where there is a greater concentration of the population and where the economic base supports the ability to levy and collect charges for utility services provided. While it may be feasible to increase rates and exert a greater effort to collect charges levied, the cost of providing these services is unlikely to be more than only nominally offset by collections for the foreseeable future.

Senator STEVENS. The Micronesian budget for public works on pages 70 and 71 contains figures that don't add. It would appear the increase that's recommended totals \$528,200 not \$484,200. Can you explain this discrepancy, Senator Olter?

Mr. OLTER. Mr. Chairman, you are correct. The increase should be \$528,200. This is a typographical error. The operation and maintenance increase should read \$399,200. Fiscal year 1977 utility services should read \$5,372,100, and the increase \$115,000.

#### REDUCTION IN OPERATIONS

Senator STEVENS. Since the Department has agreed to a \$1.1 million reduction in its original request for operations, it would seem that the original budget was poorly planned or grossly overstated. The committee would like to have an explanation of this major change in budgeting.

Commissioner JOHNSTON. The \$1.1 million reduction in the original \$59.5 million operations portion of the fiscal year 1977 budget can only be achieved by effecting substantial reductions in health, education, and public works operating costs. The amount of the original estimate was based on planned increases in the operating levels of these programs during fiscal year 1977. Obviously, the agreement with the Congress of Micronesia to reduce the support for these programs in fiscal year 1977 will require a substantial cutback in the planned level of operations to stay within the lower level of funds now being requested.

Senator STEVENS. Please detail the changes this revised budget will create in the original departmental request in terms of personnel and programs.

Commissioner JOHNSTON. The fiscal year 1977 budget justification submission to the Committee is being revised to conform to the estimates agreed to in the revised budget for fiscal year 1977. Generally, it will be found that personnel increases have been largely held to the minimum necessary to staff and operate newly completed facilities and those planned to be completed through fiscal year 1977. We will provide the revised personnel figures.

[The information follows:]

Number of Positions by Program & Category  
Revised estimate of personnel due to Reductions

	FY 76 Estimate (1)	FY 77 Original estimate (2)	FY 77 Revised estimate (3)	Difference Col 2-Col 3	Diff. Col 1-Col 3	Diff. Col 1-Col 2
<b>Direct Appropriation:</b>						
1. High Commissioner Office	14	14	14	---	---	---
2. Judiciary	12	12	12	---	---	---
3. Grants						
Total Direct	26	26	26	---	---	---
<b>A. Operations</b>						
(1) Health Services	1,202	1,268	1,268	---	+66	+66
(2) Education	2,343	2,409	2,395	-14	+52	+66
(3) Public Affairs	214	213	213	---	-1	-1
(4) Resource & Development	885	891	885	-6	---	+6
(5) Protection of Persons & Property	469	481	481	---	+12	+12
(6) Administration	633	660	660	---	+27	+27
(7) Transportation & Comm.	203	206	203	-3	---	+3
(8) Public Works	1,482	1,485	1,482	-3	---	+3
Total Operations	7,431	7,613	7,587	-26	+156	+182
<b>B. Construction</b>						
(1) Design & Engineering	51	60	51	-9	---	+9
(2) Contract Admin.	60	70	60	-10	---	+10
(3) Planning Services	---	---	---	---	---	---
Total Construction	111	130	111	-19	---	+19
<b>C. Reimbursable (User Charges)</b>						
Printing & Publications	42	45	45	---	+3	+3
Grand Total	7,610	7,814	7,769	-45	+159	+204

## CAPITAL IMPROVEMENT REVISIONS

Senator STEVENS. Under capital improvements, as discussed earlier, there's wide divergence between the departmental and Micronesian budgets. One main difference is in transportation facilities, where the Department requests \$7.3 million and the Micronesian Congress wants \$13.5 million. Congressman Setik, please tell us about the additional projects you recommended in your budget.

Mr. SETIK. Transportation facilities such as roads, docks, harbors, and airfields are higher priority to the Congress of Micronesia because they are more vital to true development at this time. The additional projects that were added above the \$7.3 million reflect that philosophy.

As justified in our COM budget submission the following additional projects were added to those already submitted by the Department and the High Commissioner; Roads, Palau District, \$1.0 million; roads, Ponape District, \$1.2 million; dock and harbor facilities, Kusaie District, \$1.2 million; Moen dock extension, Truk District, \$1.2 million; airfield improvements, Ponape District, \$1.6 million.

Commissioner JOHNSTON. In the agreed revised budget for fiscal year 1977, the Congress of Micronesia agreed to a compromise of projects that would stay within the total allowed figure for the President's budget of \$82.3 million. This compromise was arrived at by reducing the operations section by \$1.3 million and increasing construction by that amount, thereby raising construction to \$22.9 million from \$21.6 million. Projects included in the revised budget which were not in the President's budget are: Palau roads, \$850,000; Ponape roads, \$1,050,000; airfield improvements, Ponape, \$1,500,000; and Micronesia capital construction feasibility study, \$200,000. One project included in the President's budget, secondary school facilities, Marshalls, \$2,200,000, was eliminated in the agreed revised budget as was one project—the Truk Moen dock extension, \$1,222,000—in the Congress of Micronesia budget request. One other project, technical assistance, \$1,000,000, included in that request was reduced to \$380,000 and transferred to the operations budget. Finally, the estimates for two projects included in both budgets were reduced in the agreed budget. Those are the Marianas powerplant, \$71,000, and construction support, \$100,000.

Senator STEVENS. Please explain why the revised budget deletes the \$450,000 Department request for hospital design in the Marshalls.

Mr. OLTER. As I pointed out previously, transportation related projects are a higher priority to the Congress of Micronesia in relation to development. Majuro has an existing hospital, and we wanted also to await the report from the development plans health economist to present his evaluation as to whether this is really needed as opposed to a renovation. This can be resubmitted in fiscal year 1978 if so warranted.

## INTER-ISLAND SHIPS

Senator STEVENS. Everyone seems in agreement on the \$4.4 million request for interisland ships. Have you now settled on a satisfactory ship?

Commissioner JOHNSTON. With regard to those questions on interisland ship design, funding, and requirements, agreement has been reached on an *Islander* class design and requests for A&E work on this design have been issued. As soon as the design work is completed, bids will be sought on the construction of six or more ships to be funded from the \$8 million appropriated to date plus the \$4.4 million requested in the fiscal year 1977 agreed revised budget. Requisition of these ships will insure the provision of frequent, regularly scheduled shipping service among the islands.

Senator STEVENS. What has been done to date with the \$4 million provided last year for two interisland ships?

Commissioner JOHNSTON. The \$4 million appropriated in the fiscal year 1975 supplemental approved in July 1975, and the \$4 million appropriated in fiscal year 1976 approved late December 1975 is expected to be obligated by June or July of this year for the construction of four or more ships.

Senator STEVENS. How many more ships are needed to complete the upgrading of the interisland fleet?

Commissioner JOHNSTON. If the \$4.4 million is approved in the fiscal year 1977 budget this plus the previous appropriations would provide for at least six or seven ships which will upgrade the interisland fleet. Additional requirements will be decided later after some of these ships are operational.

#### FACILITIES

Senator STEVENS. The Department's justification for transportation and communications facilities on page 81 shows a figure of \$12,942,000 that isn't supported elsewhere. What does that figure apply to?

Commissioner JOHNSTON. The figure of \$12,942,000 shown on page 81 of the fiscal year 1977 budget justifications should have been \$7,370,000 as indicated by the total of the listed projects under the "Transportation and communications facilities" heading.

Senator STEVENS. A large portion of the CIP—\$7.6 million—is for water, sewer, and power facilities. Where do you stand in that program overall? What is the estimated need to complete these basic facilities?

Commissioner JOHNSTON. The large portion of the construction budget provided for water, sewer, and power facilities is part of the basic infrastructure construction program planned to be put in place by 1980. Of the \$26.1 million portion of the fiscal year 1975 to 1980 \$145 million construction program which is for such facilities, \$4 million has been funded to date. If the funds requested for fiscal year 1977 are provided, about 44 percent of the planned program will have been funded.

#### TECHNICAL ASSISTANCE

Senator STEVENS. The Micronesian budget proposed \$1 million for technical assistance in bringing about a redirection in construction resources, as we discussed earlier. This was cut to \$380,000 and shifted to operations. Why?

Mr. OLTER. The survey of the economic conditions and development potential of the trust territory carried out by the United Nations

experts indicated that much of the basic information to plan the development of our resources, is not now available. Also the expertise required to plan and implement development projects in the productive sector of the economy is also not available in the trust territory. The initial request for this \$1 million was to be for required expertise allocated as follows: \$500,000 for agriculture crops and forest products; \$250,000 for marine resources; \$125,000 each for small scale manufacturing and tourism. These estimates are based on current market price of \$48,000 per man-year of expertise, including salaries, overhead costs, and fringe benefits.

The original \$1 million was reduced to \$380,000 to come within the overall budget ceiling imposed by the Office of Management and Budget. The priority for this reduced sum is still agriculture and forestry. In the revised budget the Department of the Interior and the trust territory felt that technical assistance was not a construction item and should be included as a subactivity in the resource and development activity in operations. This was agreed to by all concerned.

Senator STEVENS. Is this a one-time expenditure, or do you foresee that it will be a continuing expense?

Mr. OLTER. In view of the reduction at this time an additional request for technical assistance is expected to be in the budget submission for fiscal year 1978.

Senator STEVENS. Don't you already have the technical resources to help plan this new approach to construction?

Commissioner JOHNSTON. The technical assistance described previously is of an essentially different nature than can be provided by present trust territory personnel although our personnel will be working closely with the experts in the fields described to both assist them and learn the techniques they employ to determine their findings and recommendations.

#### MICRONESIAN CAPITAL

Senator STEVENS. The \$1 million in the Micronesian budget for architectural and engineering costs for the new Micronesian capital has been cut to \$200,000. What will that funding produce, specifically?

Mr. OLTER. Since the Marianas will be separated from us politically, we must make plans to move the capital. The \$200,000 would be augmented by a Congress of Micronesia appropriation of \$100,000 to perform silt evaluating and soil studies, establish engineering criteria for infrastructure, and prepare funding estimates. This plan will be given to the Department of the Interior and the committee for review. The Congress of Micronesia plans to participate in future funding when the size and shape of a government is agreed upon which will prudently serve the people of Micronesia.

Senator STEVENS. It would appear from your justification that only preliminary feasibility studies have been attempted on the plan for a capital. Are you ready at this point to go into design and engineering?

Mr. OLTER. As previously mentioned a special session of the Congress of Micronesia will be held this summer to determine where

the new capital will be located. Once this is accomplished the \$200,000 will be used as I mentioned earlier. Once all these factors are determined then we will go into detailed design and engineering cost estimates.

Senator STEVENS. The Zeder report pointed out that the establishment of the Northern Marianas Commonwealth will take away nearly two-thirds of the Micronesian revenues. How is the new \$20 million capital to be financed both in construction and future operations?

Commissioner JOHNSTON. Once all the elements are known as mentioned by Mr. Olter and good costs estimates for construction have been established, it would be our recommendation that a separate authorization bill for construction of the capital be submitted to the Congress. Operations costs for the headquarters staff would be funded under the regular trust territory authorization while operating cost for the Congress of Micronesia would have to be funded from local trust territory revenues.

#### COMMUNITY COLLEGE OF MICRONESIA

Senator STEVENS. Your justification on the capital plan mentions a new Community College of Micronesia. How is that college to be financed? Who will pay the construction and operating costs?

Commissioner JOHNSTON. The construction of new facilities for the Community College of Micronesia is proposed to be separately authorized and funded apart from the basic authorizations and appropriations for support of the trust territory government that is now pending in the Congress. The U.S. Government is expected to pay for both the construction and operating costs.

#### PRIORITIES

Senator STEVENS. In view of the expanded capital improvements budget, the committee would like to ask the Department and Micronesia budget people to sit down together and try to draw up a list of priorities. If we can't agree on joint priorities we will accept separate priority lists. But the priorities should apply to the full list of requested projects and to any additional projects that the Congress of Micronesia believes might be of higher priority than some of those in the revised budget.

Mr. OLTER. There is always a danger in listing these item by item because there is an implication that those at the end of the list are not really necessary. Obviously there is much to be done in the next few years to install a basic infrastructure.

Commissioner JOHNSTON. I have no serious objection to the construction project priority list to be provided by the Congress of Micronesia within the revised total construction allowance.

[The information follows:]

Congress of Micronesia and Trust Territory Priority  
Listing of Construction Projects  
(In thousands of dollars)

Activity	Congress of Micronesia	Trust Territory	Revised Budget Agreement
1. Capital A&E Work	200	200	200
2. Roads, Palau	850	850	850
3. Roads, Ponape	1,050	1,050	1,050
4. Dock, Harbor Kusaie	1,200	1,200	1,200
5. Moen, Dock, Extension	1,222 <sup>2/</sup>	---	---
6. Airfield, Ponape	1,500	1,500	1,500
7. Port Facilities, Marshalls	770	770	770
8. Ebeye Dock, Marshalls	200	200	200
9. Dock/Harbor, Yap	2,000	2,000	2,000
10. Interisland ships	4,400	4,400	4,400
11. Airfield, Truk	1,300 <sup>2/</sup>	---	---
12. Rice Irrigation sy., Ponape	100	100	100
13. Marine res. fac., Ponape	200	200	200
14. Civic Action Teams	390	390	390
15. Mortlock Hosp., Truk	85	85	85
16. Power, Truk	643	643	643
17. Power, Ponape	450	450	450
18. Power, Palau	470	470	470
19. Power, Marshalls	205	205	205
20. Power, Marianas	3,302	3,302	3,302
21. Ebeye Water, Marshalls	300	300	300
22. Water, Palau	610	610	610
23. Water, Ponape	100	100	100
24. Water, Truk	970	970	970
25. Water, Marianas	160	160	160
26. Sewer, Marianas	308	308	308
27. Fire Truck, Palau	59	59	59
28. Fire Truck, Truk	59	59	59
29. TT-wide water study	87	87	87
30. Construction Support	600	600	600
31. Secondary schools, Truk	700	700	700
32. Secondary schools, Ponape	335	335	335
33. Elementary schools, Ponape	165	165	165
34. Elementary schools, Palau	300	300	300
35. Heavy construction & Maintenance Equip.	41	41	41
36. Emergency & Minor Construction	100	100	100
37. Secondary schools, Marshalls	2,200 <sup>2/</sup>	---	---
Totals	27,631 <sup>1/</sup>	22,909	22,909

<sup>1/</sup> Total of all projects COM would like for FY 1977.

<sup>2/</sup> These projects listed by COM are add backs of projects not included in the Revised Budget.

## BUDGET CHANGES

Senator STEVENS. Both the original departmental budget and the Micronesian budget proposed \$2.2 million for secondary school construction in the Marshalls, but this project was dropped in the revised budget. Why?

Mr. OLTER. The revised budget reflected priorities under the OMB imposed ceiling. The Congress of Micronesia is not bound by this and has this second priority to the Truk Airport restoration of \$1.3 million, and still within the authorizing legislation amounts.

Senator STEVENS. The Moen dock extension for Truk proposed in the Micronesian budget was dropped from the revised request. Why?

Mr. OLTER. For the same reason just mentioned. Since this would not fit under the OMB allowance, the Congress of Micronesia agreed that this could be deferred until fiscal year 1978 in reaching agreement on the revised budget.

Senator STEVENS. The construction support request of \$600,000 in the revised budget is lower than both original proposals. Why?

Commissioner JOHNSTON. This reduction is due to the fact that the Navy Engineering Command will provide most of the support for construction and therefore trust territory public works would not need the original requested increase.

Senator STEVENS. The revised budget for construction is \$1.3 million over the Department's original budget and nearly \$1.5 million over the fiscal year 1976 appropriation. Can the Department assure the committee at this time that the management problems we discussed earlier can be corrected in time to permit the effective obligation of this expanded construction program?

Mr. ZEDER. I can assure you, Mr. Chairman, that with the actions I have taken in regard to construction support and supervision, financial accountability, and property inventory, this will provide now and in the upcoming fiscal years the required corrective measures to the management problems, thereby enabling the effective obligation and expenditure of Federal funds for the increased construction program.

Senator STEVENS. Please detail for the record which projects in the revised budget fall within the jurisdiction of the pending Northern Marianas Commonwealth.

Commissioner JOHNSTON. We will provide that.

[The information follows:]

Construccion Projects in FY 1977 Budget for Northern Marianas

1. Water System Expansion, Marianas - \$160,000

The primary water system for Saipan is complete, funded from earlier year appropriations. The program approved for FY 1976 will allow additional wells to be drilled to increase supply and will allow for the replacement of some of the village distribution systems.

The \$160,000 being sought in FY 1977 will continue the replacement of the secondary distribution lines in the villages. Many of these smaller pipelines have badly deteriorated causing considerable water loss due to leakage and a chronic water shortage on the island. These secondary lines are being replaced in a continuing program to upgrade the overall water delivery system.

2. Sewer System Expansion, Marianas - \$308,000

The Saipan sewerage system and its two treatment plants are in operation and serve most of the residential areas on the island. A total of \$208,000 is being requested in FY 1977 to extend secondary lines to new housing developments in the Garapan area. An additional \$100,000 is being requested to establish a revolving fund to assist homeowners in making connections to the sewer mains. The revolving fund is meant to reduce the initial financial impact on the homeowner who will be able to borrow from the fund for hookup costs and then pay back his loan through manageable increases to his monthly utilities bill.

3. Power Plant and Generators, Marianas - \$3,300,000

A surplus power barge capable of generating 30,000 KW of electricity is on loan from the U.S. military and is now being hooked up to relieve Saipan's chronic shortage of power. This is an interim solution at best since the barge can be recalled during an emergency and it was never intended that it should remain permanently on Saipan.

A design study for a new permanent power plant should be completed by the end of 1976. Current projections indicate that power demand will reach 30,000 KW by 1980 so that the plant will be designed to that capacity. The power barge will be needed until the new plant comes on line to replace it.

The funds requested in FY 1977 will be adequate to construct a plant large enough to house diesel generators of 30,000 KW capacity. In the first phase, generators with a total capacity of 15,000 KW will be installed along with necessary switching gear, fuel tanks, and auxiliary equipment. Provision will be made in future year budget requests for the installation of the additional generators required to expand production to the anticipated demand of 30,000 KW.

Total Northern Marianas Projects -

\$3,770,000

## CONCLUDING REMARKS

Senator STEVENS. We look forward to working with you, Mr. Zeder, and again you are to be commended for the direct action that has been taken. I think the gentlemen from the Congress of Micronesia ought to appreciate that in trying to get their shop in order before this change in status comes.

We look forward to seeing you here next year, hopefully with one unified budget that everybody agrees to, so that we don't have to study two separate budgets and then find out that you agreed to it meanwhile. That would be helpful for the future.

We appreciate your time and again my apologies to you all for keeping you waiting this morning.

Mr. ZEDER. Thank you, Mr. Chairman.

## SUBCOMMITTEE RECESS

Senator STEVENS. Thank you, gentlemen. The subcommittee will stand recessed, subject to the call of the Chair.

[Whereupon, at 12:55 p.m., Tuesday, March 16, the subcommittee was recessed, to reconvene at the call of the Chair.]

DEPARTMENT OF THE INTERIOR AND RELATED  
AGENCIES APPROPRIATIONS FOR FISCAL YEAR  
1977

WEDNESDAY, MARCH 17, 1976

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

The subcommittee met at 2 p.m., in room 1114, Everett McKinley Dirksen Office Building, Hon. Ted Stevens presiding.  
Present: Senator Stevens.

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

DANIEL T. FURLONG, BUDGET ANALYST, BUREAU OF LAND MANAGEMENT

BUDGET REQUEST

Senator STEVENS. We will open the afternoon hearings. Today we will hear the budget request for the Office of Water Research and Technology after first hearing the Alaska Land Use Commission.

The budget request for the Joint Federal-State Land Use Planning Commission for Alaska is \$60,000 for 1977, which is a decrease of some \$700,000 from the current year. The justification has already been included in part 2 of the record.

The committee is aware that this budget reflects the original termination date of December 31, 1976. Recent legislation has extended the life of the Commission until June 30, 1979, and we understand a proposed budget amendment is currently before OMB.

Mr. Silcock, we welcome you again before the committee. Please introduce those who are with you and highlight your prepared statement. Your full statement will be printed in the record.

HIGHLIGHT STATEMENT

Mr. SILCOCK. Thank you, Mr. Chairman.

We have Duncan Read from the Planning Commission staff, Pete Culp from the Bureau of Land Management, and Dan Furlong from the Bureau of Land Management, who are budget support for the Commission.

Mr. Chairman, my statement is rather brief. I would like to read it, if that is all right.

Senator STEVENS. All right.

Mr. SILCOCK. The Commission was established in accordance with section 17 of the Alaska Native Claims Settlement Act and by an act of the State of Alaska. Each act stipulates equal funding by the Federal and State governments. The Commission is mandated to plan for the wisest and best use, management and administration of Alaska's Federal and State public lands consistent with State and National interests.

Additionally, the Commission's role is to seek ways to avoid conflicts among the State, the Federal Government, and Alaska Natives over the selection, use, and management of lands, and to improve coordination between the State and Federal governments. The Commission recommends changes in laws, policies, and programs affecting land use and management in Alaska.

The Commission is composed of 10 members: a Federal cochairman appointed by the President; 4 members appointed by the Secretary of the Department of Interior; 4 appointed by the Governor of Alaska; and a State cochairman appointed by the Governor. A small staff, including planners, economists, lawyers, and a resource specialist is employed by the Commission.

Until recently amended, the Alaska Native Claims Settlement Act specified that the Commission would terminate on December 31, 1976. Accordingly, the budget before you reflects a close-down of Commission activities, which was anticipated at the time of this budget's preparation.

An interim report, principally focusing on those lands withdrawn under section 17(d)(2) of the act for consideration of their inclusion in the National Park, Fish and Wildlife Service, Forest Service, and Wild and Scenic River Systems, will be submitted to Congress and the President in May of this year.

Commission efforts to facilitate implementation of the Alaska Native Claims Settlement are proceeding. These include the identification of easements across Native-selected lands to assure access to public lands and waters; and assistance in land and resource planning and management to Native village and regional corporations.

At the request of the Governor of Alaska, the Commission is providing advice on the selection, planning, management, and disposal of State lands. Preliminary recommendations on several important aspects of a comprehensive State land policy have been made.

Commission research continues with an environmental assessment of human use impact on Alaska's unique ecosystems and land forms, an analysis of major socioeconomic factors influencing land use in Alaska, and evaluation of major Federal and State land management institutions.

In this budget for fiscal 1977, \$60,000 is requested. All staff will be terminated by December 31, 1976, and assistance to policymakers and Native corporations will cease.

I appreciate the opportunity to appear before the committee. I will be pleased to answer your questions and provide more detailed information on the Commission's work program, Alaska land use issues, or the implementation status of the Alaska Native claims settlement.

#### REGIONAL PROFILES

Before I close, Mr. Chairman, you might be interested in a progress report on the regional profiles which you have been working on for us. I have this statement. Although I have not made reference to the regional resource profiles in my prepared statement, I know that they are of particular interest to this committee.

To briefly summarize their status, the southwest volume is at the printers and the southeast volume is nearly camera-ready, leaving the Northwest and the Yukon volumes to be readied for printing.

The Governor's office requested a legislative appropriation of \$100,000 for printing of the remaining profiles in fiscal year 1977. The estimated costs of printing are \$200,000. Earlier, the Governor's office had anticipated that the balance of the costs would be covered by funds received in a grant from the Department of Housing and Urban Development. Recently, the State has learned that these funds will not be available and is currently searching for other sources of funding.

Assuming that these necessary funds are secured, the entire set of profiles will be printed and distributed by next January.

Senator STEVENS. You did receive the contribution that this committee assisted you in getting through OMB last year, didn't you?

Mr. SILCOCK. Yes, sir, that is of record, and on the books. The State is trying to balance that with the printing costs so that they will be completed by January of 1977.

#### SUPPLEMENTAL AND AMENDMENT

Senator STEVENS. What about this OMB request? There is a supplemental request over there for the transition period as well as an amendment for fiscal 1977?

Mr. SILCOCK. Yes, sir, Mr. Chairman, that is correct. After the passage of Public Law 94-204, we submitted a supplemental request for the transition quarter as well as a budget amendment for 1977.

They were submitted to OMB on February 3. We have been in contact with them, and we understand that they are still working on those requests.

Senator STEVENS. As I understand it, that means both a supplemental and an amendment to the 1977 budget?

Mr. SILCOCK. Yes; that is correct.

Senator STEVENS. What is the reason for the delay, do you know?

Mr. SILCOCK. I guess it is just the normal process. We have been in touch with them on numerous occasions. They have asked questions, and we have answered their questions, but they have not come back with the funds.

Senator STEVENS. What is the amount?

Mr. SILCOCK. In the transition quarter we are asking for a supplemental of \$40,000, which makes our total transition quarter \$160,000.

Then in the 1977 fiscal year we are asking for an amendment for \$614,000. We are making a total request for the 1977 fiscal year of about \$674,000, which is about \$90,000 less than this year.

Senator STEVENS. What brings it down to this level? Why aren't you going to continue at the same level?

Mr. SILCOCK. Some of our operations have been completed. We don't see the need for that additional amount of funds. So we have reduced our request by that much.

Senator STEVENS. Do you have any additional functions you are going to take on?

Mr. SILCOCK. We have the functions that we have outlined, for example our work with the Native community as well as the state lands program and the D-1 and the D-2 programs as far as the Federal Government is concerned. With those functions we feel we can still carry on with the \$674,000 that is requested for the 1977 fiscal year.

## STAFFING

Senator STEVENS. Will there be any changes in the size of the staff or the grade level of any of the staff?

Mr. SILCOCK. Very slight, Mr. Chairman, I think we reduced by one the total permanent employees for the 1977 fiscal year.

The average grade and salary will stay about the same.

Senator STEVENS. Will you give us a table showing your employment by grade and job title for fiscal 1975, 1976 and your proposed 1977?

Mr. SILCOCK. Yes, sir; I can provide that for the record.

[The information follows:]

## JOINT FEDERAL-STATE LAND USE PLANNING COMMISSION FOR ALASKA—PERSONNEL ORGANIZATION

Position	Grade		
	1975	1976	1977
Federal co-chairman	V	V	V
State co-chairman	15	15	15
Counsel	15	15	15
Director, technical services	15	15	15
Director, communication and administration	15	15	15
Director, policy development and research	15	15	15
Public policy economist	14	14	14
Senior economic analyst	14	14	14
Public administration specialist	14	14	14
Land system geographer	14	14	14
Natural systems planner			14
Public information officer	13	13	14
Native affairs specialist	13	13	13
Management systems analyst	13	13	13
Fish wildlife analyst			13
Minerals specialist			13
Lead secretary	8	8	8
Administrative officer	7	7	8
Commission secretary	8	7	7
Secretary-clerk	5	6	6
Secretary-clerk	5	5	5
Secretary-receptionist	5		
Clerk-receptionist		5	5

## TRAVEL

Senator STEVENS. Is there any increase in travel in the budget request?

Mr. SILCOCK. There is an increase in travel. This is brought about by several things. We have a couple of vacancies on the Commission, so we will be filling those positions, and we have a new State cochairman. Consequently, there will be a need for them to do some on-site reviews of the Commission's work on the D-2 programs so we can further prepare ourselves for recommendations to the Congress.

In addition, we see ourselves working more directly and closely with the village corporations on planning of their lands. This will require more travel to the villages.

In addition to that, we will have additional meetings of the Commission which would increase the amount of travel costs.

## CONTRACT SERVICES

Senator STEVENS. How about contractual services? Are there any increases in contractual services?

Mr. SILCOCK. No. This would be a reduced figure. The reduction is quite large here, based on the fact that we will have completed the work that we had under contract. We don't anticipate any more large contract studies.

Senator STEVENS. We just completed in the Office of Technology Assessment the analysis of the accessibility of minerals on Federal lands. Just yesterday they approved an additional \$100,000 to extend that study to Native and State lands in Alaska.

Have you been working with that Office of Technology Assessment group that did the preliminary study?

Mr. SILCOCK. We have had contact with them. In fact, some of their people have talked with our staff people on work that they did the Harbridge House report, for example.

Senator STEVENS. It has just been published. I recommend it to you. Have your staff review it to see if there are any problem areas that you see in it. It is going to be quite a reference tool here in Congress.

## STATE FUNDING

How about State funding? Are you going to get the same amount from the State, \$674,000?

Mr. SILCOCK. The State funding is just a little in excess of the Federal funding. It is hard to explain because of the transition quarter. The State will be on a July to June fiscal year basis. The Governor has requested \$737,000 for fiscal year 1977. So the State's request will exceed the Federal side.

Senator STEVENS. Do you think it will still be in balance as far as actual expenditures?

Mr. SILCOCK. After it is all worked out it will be in balance, yes.

## LAND CLASSIFICATION

Senator STEVENS. What about the (d)(1) classification? Have you been working with the Bureau of Land Management with regard to

those lands? I understand there are noregulations yet on the classification of (d)(1) lands.

Mr. SILCOCK. Yes; we have been working with BLM in Alaska through our counsel John Katz, who has been working very closely with BLM. We understand that BLM has had two meetings concerning classification of land which would involve Alaska as well as the other public lands in the Western States.

We understand they are about ready to come out with some draft regulations as they will relate to (d)(1) lands in Alaska. Those will be draft regulations which will go to the public for comment.

Senator STEVENS. Are these as to the use of the land, or as to the means of permanent classification under (d)(1)? The (d)(1) was supposed to be a temporary classification. That was my understanding. It seems to be becoming permanent all of a sudden.

Mr. SILCOCK. I would not want to speak for BLM, but I think it is more from the standpoint of classification of the land, or provides the means for reclassifications so that things can happen on the (d)(1) lands that are now withdrawn.

#### INTERIM REPORT

Senator STEVENS. Will you make your deadline for the interim report for May 30, 1976?

Mr. SILCOCK. Yes, I think we will make that, Mr. Chairman. In fact, we have structured our work so that we can.

Senator STEVENS. Will you give us for the record a statement as to what goals you feel you have to accomplish within this extended period, and will you also include any recommendations that you think the Commission is prepared to make with regard to things that are completed to this date? I think we would like to know what you have done and what you intend to do in the balance of the period.

Mr. SILCOCK. We could supply for the record our projected program for the future. Our interim report is structured now in three categories. What we have done, what is in progress now, and what we project to complete. We intend to have that published by June, which would give a rather comprehensive review of it.

Senator STEVENS. I think just some summary for the record would be sufficient.

Mr. SILCOCK. Yes, sir, we could supply that.

[The information follows:]

SUMMARY OF COMMISSION RECOMMENDATIONS,  
CURRENT ISSUES AND WORK PROGRAM

## PART I. PAST RECOMMENDATIONS

Among the major recommendations made to date by the Commission are:

- (1) Findings and Recommendations to the Secretary of the Interior and to Congress on those lands withdrawn under Section 17(d)(2) of the Alaska Native Claims Settlement Act for consideration as National Parks, Forests, Refuges, and Wild and Scenic Rivers. Data on resources and lands has been compiled; findings made on past, current, compatible, conflicting, and appropriate uses; tentative recommendations developed on appropriate management; and recommendations made on transfers of lands from (d)(2) to (d)(1) status.
- (2) Findings and Recommendations to the Governor and Legislature of the State of Alaska on State Land Policies, including general policy and procedural recommendations on State selection, classification, disposition, and management.
- (3) Recommendations on amendments to the Alaska Native Claims Settlement Act, including allowance of corporate mergers, escrow authority, Koniag and Sealaska Corporations' land selections, Native "groups," and the Cook Inlet Land Exchange.
- (4) Recommendations on policy criteria and procedures for the identification of easements across Native selected lands; and on corridor easements.
- (5) Recommendations to the Department of the Interior on regulations implementing the Alaska Native Claims Settlement Act, including those for Sections 3(e) (smallest possible tracts for Federal installations) and 14(h) (lands to be reconveyed to Native groups and for cemeteries and historic sites) and those providing for Native selection of regional deficiency lands.
- (6) Findings and Recommendations on the Use of Resources for Subsistence Purposes.

In addition to its policy advisory functions, the Commission has undertaken numerous and extensive efforts to provide assistance to Native regional and village corporations on matters of land selection, planning, and management. A statewide land and resources inventory was compiled by the Commission. Several widely distributed publications containing the information have been published, and numerous requests for the information from other Federal and State agencies, Native corporations, land user groups, and the general public have been met. The Commission has conducted in-depth analyses of representative ecosystems and land forms in Alaska and major socioeconomic factors determining land use in Alaska. Finally, the Commission has conducted on an ongoing basis evaluation of major land management systems and alternative institutional structures.

A list of the Commission's major publications to date is attached.

## PART II. ISSUES TO BE ADDRESSED PRIOR TO JUNE, 1976

The Commission tentatively anticipates addressing the following issues and adopting policies on them to be incorporated in its interim comprehensive report to Congress, the State Legislature, the President and the Governor of Alaska. The report will be submitted in May, 1976.

A. Statewide Land Use Issues

1. Statewide Framework of Land and Resource Needs
2. Land Disposal and Retention
3. Baseline Management Standards
4. Statewide Criteria for Designation of Critical Areas (Including Scientific Study Areas)
5. Transportation and Access Planning
6. Statewide System Planning for Parks, Wilderness Areas, Wild and Scenic Rivers
7. Fish and Game Management and Habitat Protection (Including Federal-State Interrelationships and Subsistence Policy)
8. Navigable Waters and Submerged Lands

B. Cooperative Planning Institutions

1. Joint Planning Bodies
2. Cooperative Statewide and Regional Planning (Including Cooperative Resource Management and Relationships Between Governmental and Private Corporate Planning)
3. Compatibility of Classification Systems
4. Land Trades and Exchanges
5. Centralized Data Sources

C. Recommendations to Federal Government

1. Tentative Recommendations for Additions to Present Land Management Systems
2. Tentative Recommendation for New Management Systems

D. Recommendations to State Government

1. Land Selections
  - a. Purposes and Priorities for Land Selections
  - b. Basic Selection Criteria
2. Planning and Classification
  - a. Areawide Planning as Context for Detailed Classification
  - b. Levels and Types of Planning Categories
3. Disposal
  - a. Benefit to Public Interests
  - b. Alternative Disposal Methods and Their Land Use and Management Implications
  - c. Preferred Disposal Methods

PART III: ISSUES AND WORK PROGRAM OBJECTIVES TO BE  
ADDRESSED BY THE COMMISSION IN THE EXTENSION PERIOD

At its next scheduled meeting in April, 1976, the Commission will identify those issues which it will address or further explore prior to its termination in June, 1979, and thereby adopt a set of work program objectives for the period of its extension. The following will be proposed by staff for the Commission's consideration and decision:

A. Statewide Land Use Issues

1. Statewide Framework of Land and Resource Needs
2. Land Disposal and Retention
3. Baseline Management Standards
4. Statewide Criteria for Designation of Critical Areas
5. Transportation and Access Planning
6. Fish and Game Management and Habitat Protection
7. Water Management
8. Policy for the Arctic
9. New Community Formation
10. Statewide System Planning - Parks, Wilderness Areas, Wild and Scenic Rivers

B. Cooperative Planning Institutions

1. Joint Planning Body
2. Cooperative Statewide and Regional Planning
3. Compatibility of Classification Systems
4. Land Trades and Exchanges
5. Centralized Data Sources

C. Policies for Federal Lands

1. Land Classification
  - a. Joint Federal-State Classification - National Land Resource Reserves
  - b. D(2) Lands
  - c. D(1) Lands
2. Land Disposal and Retention
3. Land Management
  - a. Institutional Structures
  - b. Coordinating and Cooperative Planning Mechanisms
4. Existing Federal Withdrawals
5. Transportation Planning - Access to and Across Federal Lands
6. Federal Fiscal and Taxation Policies
7. Permit Lease System for Mining of Metalliferous Minerals

D. Policies for State Lands

1. State Selection
2. Land Classification
3. Land Disposal

4. Municipal Land Selections
5. State Park System
6. State Forests
7. Coastal Zone Management
8. Land Planning and Management
  - a. Required Resources
  - b. Institutional Structures
  - c. Coordinating and Cooperative Planning Mechanisms
9. State Fiscal and Taxation Policies and Land Use

Native assistance efforts and analysis of natural systems, socioeconomic issues, and land management institutions will continue through the duration of the Commission's lifetime. Resolutions to problems emerging in the implementation of the Alaska Native Claims Settlement will be addressed, as they arise.

The goals of the Commission - those mandated in Sections 17(a)7(A)-(K) and 17(b) - remain the same.

## COMMISSION PUBLICATIONS

## Annual Reports:

- \*"1972 Annual Report," January 1973 -- Vols. I and II
- \*"1973 Annual Report," January 1974
- "1974 Annual Report," January 1975 -- "Alaska's Land 1974"

## Major Publications:

- \**Summary of the Conference on Taking Fish and Game Resources to Meet Subsistence Needs*, February 1974, Juneau, Alaska.
- \**Land Planning and Policy in Alaska: Recommendations Concerning National Interest Lands* (Printed by the Senate Committee on Interior and Insular Affairs), June 1974, U. S. Government Printing Office, Washington, D. C.
- Resources of Alaska: A Regional Summary* (619pp.), July 1974.
- \**Alaska Resources Inventory* (91 volumes of narrative on 17 subject fields, with over 800 map overlays), December 1974.
- Alaska Regional Profiles* (6 volumes: Arctic, Northwest, Southwest, Southeast, Yukon and Southcentral Region. Jointly published with the Alaska Office of the Governor and the Arctic Environmental Information and Data Center. The "Southcentral" Region was published in 1974 and the "Arctic" Region was published in 1975.
- \**Land and Government -- Options in State Legislation*, January 13-14, 1975.
- 14(c) Handbook for Village Corporations -- Reconveying Land*, July 1975.
- Landlords of Alaska?* -- A reprint of Section D of the *Anchorage Sunday Times*, July 20, 1975.
- Easements in Alaska* -- A small leaflet which briefly explains easements which are required by the Alaska Native Claims Settlement Act, June 1975.
- Agenda for State Lands: Recommendations to the People of Alaska on the Future of their Public Lands*, December 1975.

Senator STEVENS. I don't have any questions of your colleagues. We are hopeful, of course, that that OMB supplemental request will get here in time to be handled in normal procedure.

I appreciate anything that you or the Department can do to accelerate receiving that, both for the 1976 supplemental and the 1977 request. I am sure you have done all you can already.

Mr. SILCOCK. We have been in contact with them and furnished them everything they have asked for. I guess it is just the process they are going through.

Senator STEVENS. When we get to the (d)(2) lands consideration, are you prepared—have you worked with Interior to get some semipermanent facilities for your staff and your members here in Washington? I presume they will be here a substantial portion of the time when we get down to acting on individual requests for (d)(2) withdrawals.

Mr. SILCOCK. The Department, Mr. Chairman, has furnished us two rooms. We have an office in the Interior Building, so we have a place to work there. We have the use of BLM's operations as well as the Department's. They have both been very helpful to us.

Senator STEVENS. Thank you very much. It is good to see you again. I hope this legislature will give you the full amount, because we do not want any problem there.

Mr. SILCOCK. Thank you, Mr. Chairman.

Senator STEVENS. Thank you very much.

DEPARTMENT OF THE INTERIOR

OFFICE OF WATER RESEARCH AND TECHNOLOGY

STATEMENTS OF:

JACK O. HORTON, ASSISTANT SECRETARY, LAND AND WATER  
RESOURCES

WILLIAM S. BUTCHER, DIRECTOR, OWRT

ACCOMPANIED BY:

JAMES S. BURTON, ASSISTANT DIRECTOR, RESEARCH, OWRT

WILFRED J. HAHN, ACTING ASSISTANT DIRECTOR, SALINE  
WATER CONVERSION, OWRT

JACK C. JORGENSEN, ASSISTANT DIRECTOR, TECHNOLOGY  
TRANSFER, OWRT

CHANDLER H. TOWNSEND, ACTING ASSISTANT DIRECTOR,  
PROGRAM PLANNING AND EVALUATION, OWRT

F. WILLIAM KOOP, ADMINISTRATIVE MANAGER, OWRT

WILLIAM BETTENBERG, DEPUTY DIRECTOR, OFFICE OF THE  
BUDGET, OFFICE OF THE SECRETARY OF THE INTERIOR

BUDGET REQUEST

Senator STEVENS. We will now consider the Office of Water Research and Technology. The 1977 fiscal budget request totals \$22.3 million, an increase of \$4 million over appropriations to date. The justification has been already included in part 1 of the record.

Secretary Horton, we welcome you again. Will you please introduce your colleagues, and if you will, I would appreciate it if you would let us put your statement in full in the record and highlight it.

[The statement follows:]

Mr. Chairman:

We are here today to present to you our request for appropriations for the Office of Water Research and Technology. I am accompanied by the Director, Dr. William S. Butcher, members of his staff, and a member of the Interior Budget Office. Dr. Butcher will present the proposed program for Fiscal Year 1977 in his statement. I would like to highlight a few aspects of the program being presented and my thoughts on the importance of water resources research to solve national water problems and to be prepared to react to future problems.

The budget request before you for Fiscal Year '77 amounts to \$22,273,000 and represents an increase of \$4,093,000 over the amount appropriated for FY '76. The funds requested for FY '77 amount to approximately a 22 percent increase over those appropriated for FY '76. The majority of the increase is for a new program, water reuse, being proposed for the first time. This program could provide some of the answers to solve our nation's critical water problems in the near future and the years to come. The budget request does not provide for the continuation of the three test facilities currently being operated by the office. The facilities have been an important tool in advancing technology and have served the program well. The closing of a Federal facility is not always popular. Considering the problems facing the Nation and taking into account the financial resources available, hard decisions like this one must be made. Dr. Butcher will more fully explain the elements of this program in his presentation.

The Office of Water Research and Technology was established approximately two years ago to carry out a coordinated water resources research and development program for the Department. Programs authorized under the Water Resources Research Act and the Saline Water Conversion Act were assigned to this new office. In addition, the office was assigned the new programs of technology transfer, interagency coordination, and water resources technology development.

Legislative changes were proposed to the Congress last spring and introduced as S. 1301. An overview hearing was held by the Senate on July 11, 1975. Action on S. 1301 is important as Title II of the water resources research authorization expires at the end of FY '76 and authorization for appropriations for saline water conversion programs also expire at the same time. Enactment of the proposed legislation is also important from another viewpoint. That is, the proposed changes include an entirely new patent article very similar to the one used by ERDA and we believe it will provide more flexibility in transferring technology developed by the program for application to water problems.

The House Subcommittee on Water and Power Resources held a hearing, February 27, on H.R. 11559. This bill authorizes \$6,470,000 for the saline water portion of our program. The House bill was increased to \$9,700,000 during Markup, adding the water reuse program and technology transfer requested in our Budget submission, and the Patent Article proposed by the Administration. The President's Budget for OWRT includes approximately \$4,000,000 for saline water programs. The House authorization also added funds to operate the Roswell and Wrightsville Beach Test Facilities, brackish water membrane test and development, and freezing test and development. The President's Budget shows an overall increase of approximately 22 percent. The saline water program reflects an increase of approximately 33 percent over the Administration's Budget Request for FY '76. The House bill would increase the SWC programs by approximately 120 percent over last year's budget request.

The House Subcommittee has indicated they do not intend to act on the Senate bill. If this thought prevails, then Title II of the Water Resources Research Act will expire and the entire water resources research programs will be terminated. This program includes Water Resources Planning and Management, \$1,900,000; Water Related Problems - Aiding Indian Self-Determination, \$200,000; Protection of the Water and Water Related Environment, \$700,000; and Solving of Energy Related Water Problems, \$850,000. These programs address some of the Nation's most critical water problems and should be continued.

The importance the Administration places on this program is apparent from the fact that a significant increase is being proposed during a period of fiscal constraint. We believe that this program represents the most important areas of research and development, considering national needs and priorities.

I urge your favorable consideration of this budget request. Dr. Butcher will now present his prepared statement.

## ASSISTANT SECRETARY'S STATEMENT

Secretary HORTON. Mr. Chairman, thank you very much for the privilege of being here. I have a brief prepared statement, which with your permission will go in the record. I will highlight that.

Very briefly, the budget request this year for OWRT, the Office of Water Research and Technology, is \$22,270,000 which represents a \$4 million increase over that which was appropriated in 1976. It is a 22 percent increase. Most of the increase is in a major new program called water reuse, a program which the Department has strongly endorsed. The Director of OWRT seated on my immediate left, Dr. Bill Butcher, will explain this in his statement. We have great hopes for the success of that program.

If you will recall, we created OWRT around 2 years ago as a merging of OWRR and OSW. Our hopes were, which have been realized, to create a bridge between pure scientific research on water on the one side, and private research on the other.

We have suggested to the Congress legislative changes in what would become a new organic act. This is reflected in S. 1301, which would provide for a number of things.

For title II, which is now being addressed on the House side, the big question we face this fiscal year is the creation or reestablishment of authority for title II appropriations and for saline water conversion programs. Title II is critical in the underwriting of the Interior by the water research program.

I would conclude only by saying that we place sufficient importance on water research in OWRT to persuade the OMB and the administration to come forward with a 22-percent increase in the budget at a time, of course, when we have a fiscally restrained year.

Consequently, we urge your close consideration of the budget that we have placed before the Congress.

Dr. Butcher has a somewhat more detailed statement which I understand he can abbreviate. The whole statement can go in the record.

## ROSWELL AND WRIGHTSVILLE BEACH

Senator STEVENS. What are you going to do about Roswell and Wrightsville Beach? I understand the House allocated funds to that operation. You are requesting that these test facilities be closed.

Secretary HORTON. That is correct. The feeling is to close those areas. The research they have conducted has been very valuable. However, we believe that we can apply the dollars in more advantageous ways.

Senator STEVENS. What is the amount you will save if you do close those test facilities?

Dr. BUTCHER. Sir, it is not quite an even cut. We will save housekeeping money. It will cost slightly more to do the research off the premises, but it will be a saving. I estimate it will be half a million dollars a year.

## HOUSE REPORT

Senator STEVENS. I am further informed that the House report adds a considerable amount to the saline water portion of OWRT's budget, is that right?

Dr. BUTCHER. Yes, sir.

Senator STEVENS. Has the Department taken a position on that portion of the House's action?

Dr. BUTCHER. We are not requesting funds in some of these categories, but rather we are directing our attention to programs shown here in our budget request. If the Appropriations Committee sees fit to allow those appropriations—you present us with some difficult questions. We are requesting some of those items, which are apparently being worked on by the House committee.

#### TITLE II RESEARCH

Senator STEVENS. Mr. Secretary, does the administration support the termination of title II of the Water Resources Research Act as far as authorizations are concerned?

Secretary HORTON. This poses one of the more immediate dilemmas we face. That is, we have very high priority on our directed water research programs. The authority for that is not being addressed in the House at the present time, and it is, we believe, a major backbone effort in our whole research program that will be lost. So we place critical priority, as a matter of fact, on retaining that authority so that we have a balanced program, not only on desalination, but on water research programs across the board. In particular water for energy development which has very high priority in the administration, as well as water for assisting Indians in their self-determination.

We would lose across the board five important research programs if that authority is not established.

#### OWRT DIRECTOR'S STATEMENT

Senator STEVENS. Dr. Butcher, did you have a statement?

Dr. BUTCHER. Yes, sir, I do have a statement.

Senator STEVENS. We will put the full statement in the record. Would you highlight that for us?

[The statement follows:]

Mr. Chairman:

We are here today in response to your request to provide testimony for the proposed programs of the Office of Water Research and Technology (OWRT) for Fiscal Year 1977.

The total budget estimate for the Office of Water Research and Technology for Fiscal Year 1977 is \$22,273,000. The amount represents an increase of \$4,093,000 from the Fiscal Year 1976 appropriation.

#### LEGISLATION

On March 10, 1975, the Assistant Secretary of the Interior, Land and Water Resources, transmitted to the Speaker of the House and the President of the Senate a draft bill to promote a more adequate national program of water resources research and technology development and to reorganize certain functions of the Department of the Interior. The proposed legislation was introduced by the Senate as S. 1301. An overview hearing was held by the Senate on July 11, 1975. The legislation provides for annual appropriation acts without annual legislative authorizations, and will provide authority for new technology development initiatives in the future to better assure that the results of completed water resources research are developed to the stage where they can be applied by others to solve water and water related problems. The bill also includes a new patent provision very similar to the ERDA patent provision and will allow OWRT to move technology developed to industry for use in systems that will be put into application to solve water and water related problems. The proposed legislation would authorize the continuance of the water resources research program as well as the saline water conversion programs and would allow us to begin a proposed new initiative in the area of water reuse and to begin a program on water resources technology development. Unless legislation is enacted, extending Title II, an important segment of our water resources research program will be terminated after nine years of successful work on the nation's critical water problems. This program is also an important adjunct to the State water resources research institute activity.

A Bill was recently introduced in the House, HR 11559, to authorize appropriations for only the saline water portion of our program. The House Subcommittee on Water and Power Resources held a hearing on HR 11559 on February 27, 1976. They indicated that they would pass HR 11559 and that they would take no action on S. 1301. The House bill authorized \$6,470,000 to be appropriated for the saline water portion of our program. The Administration's budget request includes approximately \$4,000,000 for saline water conversion programs. The bill was amended during Markup, increasing the amount to \$9,700,000, including funds for the Water Reuse and Technology Transfer programs proposed in our budget request, and including the Patent Article proposed by the Administration.

Mr. Chairman, the program the Department proposed for FY 1977 represents our assessment of the problems which demand solution. It has been evaluated along with other important programs and priorities. We ask that the funds requested be appropriated and that we be allowed to proceed utilizing our scientific and technical capability in the solution of water problems.

OWRT ACTIVITIES

The OWRT program consists of the following activities:

. Assistance to States for Institutes	\$5,730,000
. Matching Grants to State Institutes	3,200,000
. Additional Water Resources Research	4,450,000
. Technology Development	5,500,000
. Scientific Information Center	1,100,000
. Administration	2,293,000

Because of their commonality of purpose, the first two activities are treated herein as one subject, i.e., Water Resources Research Institutes. Likewise, the next two activities are discussed under the combined heading of Water Resources Research and Technology Development.

WATER RESOURCES RESEARCH INSTITUTES

The FY 1977 budget request for this program amounts to \$8,930,000, an increase of \$200,000 over FY 1976. This program will assist water research institutes in each State to solve urgent water problems. Particular emphasis is being given to water problems of a regional or river basin nature, and to water resource needs and environmental problems generated by the development of our energy resources. The States, in the past, have more than matched Federal funds.

## - Institute Organization -

There are now fifty-four water resources research institutes eligible to receive funds under our annual allotment and matching grant programs. In order to improve coordination of the research efforts among them, they have been organized into eight regional associations based on commonality of water problems: New England, Middle Atlantic, South Atlantic-Gulf, Great Lakes-Ohio-Upper Mississippi, Missouri River, Southern Plains, Colorado Great Basin, and Pacific Northwest.

## - Institute Program Development -

During the past year, increased effort has been devoted to the improvement of procedures for identifying water problems and the research needs associated with those problems. Improved procedures which may be useful for establishing priorities for research attention have been tested and methods for determining the optimum allocation of research funds with which to conduct the research in accordance with those priorities are under development. These innovations are being refined with the full cooperation and participation of the State water research institutes and their collaborators. The objective of this effort is to identify more explicitly than was previously possible the critical water research needs of the several States and hydrologic regions of the Nation. Accordingly, its successful application will significantly increase the cost-effectiveness of the OWRT research and development program. The approach, which involves the identification of water problems and research needs on a regional basis and the analysis of feasible alternative problem solutions, has improved coordination of research at the regional, State, and national levels, and will serve to minimize undesirable duplication of research efforts. Moreover, steps have been taken to integrate these procedures with the Water Resources Council's assessment of critical water problems so necessary research may be focused on these

problems. The OWRT research program will continue to be coordinated with the Committee on Water Resources Research of the Federal Council for Science and Technology.

#### WATER RESOURCES RESEARCH AND TECHNOLOGY DEVELOPMENT

The Water Resources Research and Technology Development activities are planned at a funding level for FY 1977 of \$9,950,000, an increase in appropriations of \$3,697,000. Under this program, the Department will continue to use the specialized research and development competence available through private firms, individuals, consultants, universities, and Government agencies.

##### - Water Resources Planning and Management -

The Nation is confronted with increasingly crucial decisions with respect to the planning and utilization of its water resources. Of immediate interest to the Department of the Interior are those water resource considerations which will affect decisions relating to public land energy development programs, multiple use of public land watersheds, Outer Continental Shelf leasing programs, and water supply augmentation technology. These activities will involve complex and sometimes controversial planning and management issues and concerns, and will touch upon social, economic, environmental, political, and legal issues.

##### - Water Related Problems--Aiding Indian Self-Determination -

The water resource is a significant determinant of the social and economic well-being of much of the Indian population of the United States. Water oriented and dependent activities, such as forestry, fishing, mining, agriculture, and tourism, are the mainstays of many tribal economies. To obtain continuing and improved benefits from such enterprises, it is necessary that the most modern and efficient management and conservation techniques be brought to bear on the water resource.

##### - Protection of the Water and Water Related Environment -

This program is directed towards planning for protecting, managing, and conserving aquatic and other related resources. Activities include: application of ecological knowledge in conjunction with socio-economic, political, institutional, legal, and related land resources considerations. Also, research is conducted on impacts of energy development, timber harvesting, irrigated lands, grazing, and water developments on the environment, and on the best use of water, including consideration of fish and wildlife, esthetic and recreational values, and maintenance in the best condition possible of inland and coastal wetlands, lakes, rivers, and estuarine resources.

##### - Solving of Energy Related Water Problems -

Accelerated energy development from fossil fuels will have major impacts on water and related land resources, particularly in the West. Demands for water supply will increase substantially, not only for mining and processing, but also for expanding community growth and new towns. Problems of water allocation, water quality, and adverse environmental and social impacts could occur. Research directed to resolving these and similar problems becomes essential for the orderly development of the Nation's energy resources.

## - Technology Assessment and Research Transfer -

There is an urgent need to evaluate, in a systematic way, the technology that has been developed and is available for use in resolving water related problems, as well as to develop processes and practices to assure prompt application of research results. Not all research results need to pass through the development process to be applicable. However, the significance of research in the many water resources related disciplines needs to be coordinated and interpreted with respect to its impact on major water related problems. This is particularly important for avoiding costly mistakes, for suggesting new approaches for solving problems, as well as for assuring maximum payoff from research efforts, investments, and results. This effort is coordinated closely with the activities of the Federal Council for Science and Technology. These are the objectives of OWRT's technology assessment and research transfer program.

## - Water Conversion Research, Process Development, and Testing -

In FY 1977, basic and applied research will be directed toward advancing data on the mechanism of flux and rejection of reverse osmosis (RO) membranes, the effect of polymer structure on transport properties, interfacial reactions and ion and water transport, corrosion; freezing; and other new separation processes.

The major effort of the water conversion program will be directed toward the desalination of sea water using membrane processes. Additionally, a limited effort will be conducted on new separation processes.

During FY 1976, progress was made in advancing membrane processes for economical desalting of sea water. Results from pilot plant testing indicate that the reverse osmosis process could be economically superior to other processes for this purpose. Further economics could be gained by improving methods for pretreating raw sea water to remove suspended solids and marine organisms.

With increasing energy costs, the lower energy requirement for membrane processes provides a major incentive for continued development of sea water membrane processes.

Testing of the new and improved membranes and systems suitable for use in desalting brackish water is being conducted at the Roswell, New Mexico, brackish water test facility. Results indicate advantages over commercial technology and will be considered in the final design of the 100 mgd membrane desalting plant that will be constructed near Yuma, Arizona, as part of the Colorado River Basin Salinity Control Project. At the Yuma test facility, operated by the Bureau of Reclamation, membrane equipment supplied by manufacturers and is being tested on the Wellton-Mohawk irrigation return flows. The operational data obtained will be used by the manufacturers in preparing subsequent bids on the desalting portion of the 100 mgd plant, and by the Government in planning and evaluation. Alternative feed water pretreatment systems are also being evaluated to select the best system for use. The program being carried out at Roswell will be concluded in the fourth quarter of FY 1976.

Development and testing at Fountain Valley, California, involves performance evaluation of the Vertical Tube Evaporator/Multi-Stage Flash (VTE/MSF) Module. This program will be concluded some time during the fourth quarter of this fiscal year.

Progress has been made on the development of a new freeze desalting process. The full capacity of the plant has been demonstrated for short periods and problem areas have been defined. Efficiency of individual components, as well as the total system reliability, continues to be developed.

- Water Reuse -

The major program increase for FY 1977 will fund a comprehensive research and development program for water reuse. The development of technology applicable to successive water use that will meet economic requirements and provide an additional supply of water for this Nation is an important segment of full utilization of man's most important resource. The program will be coordinated with other agencies in the Department, and with EPA, Corps of Engineers, HUD, ERDA, and other agencies.

The potential for reuse of treated water is considerable. At present, less than 3 percent of the approximately 7,500 billion gallons of municipal wastewater discharged annually is being reused. Industrial waste water discharges are about double the municipal quantities. Major potential exists for reuse and increased recycling of these discharges in many of the major industries. A significant amount of technology currently exists for reuse and is being used to a limited extent, particularly in industry. Extension of the technology can be expected to yield major gains in water conservation. The degree of wastewater reuse will vary from one situation to another, depending upon location, wastewater sources, degree of need, and quality of water required. The future of reuse insofar as making optimum use of available water resources is very real.

The research and development program will assess major potential applications for reuse and include research and technology development required to remove trace organics and heavy metals, inorganic chemicals and dissolved solids, pathogenic organisms, and various industrial contaminants now hindering major reuse of wastewater resources. The research program will also include research on water reuse planning and management, cost effectiveness, methods of detection, analysis and monitoring and all other aspects of reuse required for a comprehensive program.

The development of reuse technology and application requires national coordination. Past efforts have been fragmented and results have not been made available for national use. The problem of protection, conservation, and full utilization of our most important resource is a Federal responsibility.

- Water Resources Technologies -

Successful research needs development before tangible benefits can be fully realized. Research results will be examined, evaluated, and related to water resources problems. Exploratory and planning models will be developed that are problem-oriented to determine technology that has passed through the research stage which needs further modification and development to make it suitable for use by the water resources community. Successful research results will be applied to real water resources problems on a side-by-side basis with water resource individuals to determine the best alternatives. Other possibilities include systems

analysis techniques selected from the many innovative methods used in the research program which show promise of making improved contributions to the water resources planning and management practices.

#### WATER RESOURCES SCIENTIFIC INFORMATION CENTER

The FY 1977 budget proposes \$1,100,000 for continued operation of the Water Resources Scientific Information Center (WRSIC). The Center is a focal point for water resources information and is responsible for the collection, storage, retrieval, and dissemination of scientific information services to the water resources community. Following are highlights of the Center's activity during the past year:

- The bank of information relating to water resources reached a total of 85,000 plus items;

- An improved, fast computer retrieval system was installed to facilitate use of the vast collection of information. By agreement between the OWRT and the Energy Research and Development Administration, all of the information collected by WRSIC in the form of abstracts and subject index terms was installed as a data base at Oak Ridge, Tennessee. This data base became one of the 17 bases which are part of the computer information network called the RECON (REmote CONsole) System. By means of TV-type terminals, installed throughout the United States, the information contained in the system can be retrieved and flashed on the screen as an immediate answer on any specific subject. Other data bases available to the users of the system now include: Nuclear Science Abstracts, Energy Data Base, Toxic Materials Data Base, Energy R&D Projects, Heated Effluent Bibliography, and Solar Energy;

- Six terminals were installed to begin the establishment of a network of the WRSIC/RECON System. These are located at Cornell University, University of Wisconsin, University of North Carolina at North Carolina State University, University of Arizona, Virginia Polytechnic Institute, and at OWRT Washington Office. The program proposed will also provide for additional terminals.

#### ADMINISTRATION

An administrative program of \$2,293,000 is required for salaries and related personnel expenses, supplies, and support services. The projected staffing level for the entire program is 70 permanent employees; seven employees are funded under WRSIC and 63 from Administration.

This concludes my remarks and I will be happy to answer any questions the Committee may have.

Dr. BUTCHER. Yes. I hope this statement is an integrated approach to water resource problems across the board, and the research is based on the concept of those two offices, OWRR and OSW.

The legislative position I think you are familiar with from Secretary Horton's statement, and we await the outcome of the whole appropriation process and the authorization process because of the differences in what is being authorized and what we are requesting. There is a serious misfitting around this title II authority which lapses under the existing legislation. This could be picked up if the administration's bill were to be enacted.

The program for fiscal year 1977 addresses the same kind of topics we had before with a couple of important add-ons. In the interest of time, perhaps I could skip over the ones you have heard from previously, and move to that one which is new for this year.

#### STATE WATER RESEARCH INSTITUTES

The ones we have spoken of previously in the Water Resources Institute program are a nationwide program of research centers, one in each State and political jurisdiction. Through them we do direct research. We also do matching fund research, which brings to the program an equal amount of money, at least to what we put in. So the Federal dollar is amplified at least doubly through this program.

#### WATER RESOURCES RESEARCH

Over and above that, we have in the past, and hope to have in the future the so-called title II program, which enables us to serve the mission of the Interior through looking at what are the problems of Interior's concern that can be served by water resources research, and addressing others in the university community, the private sector, or anywhere at all.

In your own State of Alaska we have conducted projects under this program, and we hope to do so in the future. The five topics of current concern in that area are the ones that the Assistant Secretary referred to: water resources planning and management; aiding Indian self-determination through water related research; environmental water problems; and energy water problems. We are initiating for the first full year a program of technology transfer, whereby we take the results of research out to those who can use it in an aggressive mode.

We have a well thought out initial move into this. This is the first full year of the technology transfer program and we are requesting \$600,000 for this purpose.

#### WATER CONVERSION RESEARCH

Included in this research group is research on water conversion processes. This is a feature that was carried out in the old Office of Saline Water. This falls into its place in a total across-the-board research effort.

## TEST FACILITIES

Our research program has been conducted mostly at other places, at universities through contractors. We are closing the three facilities you mentioned, located at Fountain Valley, Roswell and Wrightsville Beach, N. Mex.—rather North Carolina. At Roswell, N. Mex., we do not ask for funds for next year because we plan to close this facility and the termination and completion of the program presently being conducted there in support of the desalting plant which Reclamation has the authority to follow through and construct.

We are doing background research to input the design stage. The design stage will follow through with what has been done at Roswell. Termination of test and development at Roswell will now come back again, having been postponed couple of years ago when that termination was deferred so that this particular task could be undertaken. The task is nearing completion. We propose not to use the Roswell facility next year.

Wrightsville Beach, N.C., is a little different. There we believe that by moving the activity, taking the activity to where the problems exist or at contractors' facilities, we can see if we can reduce operating costs. The elimination of overhead cost of operating the Federal facility, which is too large for our current needs, will lead to program flexibility and overall economy. So the program there will continue to be carried on, but dispersed.

The program at Roswell is completion of a specific task, and when that task is completed, we will move away from it and give the results to those who are awaiting them. We cannot do any more timely work there because the time will have passed on the design of the big Yuma plant facility that is to be constructed.

## WATER REUSE PROGRAM

I would like to address, sir, if I may, the water reuse program which is the big add-on to our program that we are asking for next year. We believe that that reused water is a potential new resource. In our concern for water resources, we believe we should make sure that this Nation can realize that potential by looking at how can we make viable that resource. This may be accomplished either by upgrading water that has been used once, or possibly planning to use reused water in the way we use water today.

There is a lot of work going on right now in using impaired water; on golf courses, and some other activities where the quality is not quite as important. But we believe in planning strategies and technologies to upgrade the water where necessary. Solutions will come from an in-depth look at this problem.

We believe that the saline water activities we have carried on in the past give us a handle on many of the present problems in this area. This thrust will use the whole of our talents in our Office. We will use the research background and the saline water background together to contribute in a peculiar way the talents we have to let us address the problem in a way I don't believe anybody else can.

There are important gains to be made here. OMB has seen fit to endorse this program, as has the Assistant Secretary's Office. We are asking \$3.7 million this year. This is the first step in a 5-year,

\$25 million program. Of course, we will address this year by year, but this is the first step in what we think is a very important task.

#### WATER RESOURCES TECHNOLOGY

The other new program we propose this year is a rather small one, and it will be an exploratory move. The funds requested for water resources technology development is only \$200,000. In our conversion work in the past we have coupled research with development. Where development takes over from the products of research. The laboratory establishes certain possibilities, development takes that to actual use by the profession. It may be commercial application or it may be actual use by water plants and how they work.

In the water resources activity we have had no such comparison follow-on program to turn research results into usable tools. Sometimes the products of research are ready for use right away, and this technology program addresses that issue. But a development program will take those research results where the idea is feasible, but it is a long way from actually being a tool for the man on the job to use. We attempt to bridge that gap so that the water planners and water managers get the best use of results of research modified and developed in such a way that the ideas have been proven so that they might be ready for use in everyday life.

This, we believe, is an important step to get the results of research off the shelf and carry them an extra step further when that extra step is important. This is our water resource technology program. This program will be an exploratory look in that area first in this particular year.

#### WATER RESOURCES INFORMATION CENTER

The next program is the Water Resources Scientific Information Center. This is a collection of research material that has been done, and is a very important tool for the whole community. We are asking continuing funds to carry that one forward. And of course, we have our regular administration program.

That, sir, summarizes my statement, and I will be happy to answer any questions you might have.

#### TITLE II AUTHORIZATION

Senator STEVENS. We understand your concern over authorization. What effect would the termination of title II of the Water Resources Research Act have on your operations?

Dr. BUTCHER. Research programs conducted under title II are critical to the solution of water resources research problems faced by the Department of the Interior. The Department is conducting a total water management project. It involves Bureau of Reclamation, Bureau of Land Management, and others and includes the several activities. Let me read them:

1. Develop a construction strategy based on total river basis analysis;
2. Formulate a water supply augmentation program, including weather modification;
3. Develop more uniform and equitable criteria for water marketing contracts;
4. Identify water research and development priorities for meeting Interior's long-range goals and water resources;

5. New water resources policies; 6. Water conservation from Federal projects; 7. Uniform Interior procedures implementing principles and standards; 8. National water assessment.

Although our part in this total program is small, it is a very critical element and very important for program success. Programs included in this activity are: water resources planning and management, water related problems in assisting Indians to achieve self-determination, protection of the water and water-related environment, and solving of energy-related water programs. This program is carried out through research grants and contracts. Funds are awarded to universities and private institutions in many of the Western States facing critical water problems. To allow this program to go unfunded due to lack of authorization would result in the neglect of some of the Nation's most critical water resources research problems.

#### NEW WATER REUSE PROGRAM

Senator STEVENS. This water reuse program, that is brand new, isn't it?

Dr. BUTCHER. Yes, sir.

Senator STEVENS. Does that duplicate any of the work you are already doing?

Dr. BUTCHER. In our research efforts we have done some of this. It is not just brand new; it has roots back in other activities. For instance, in Rosewell, N. Mex., where we are studying drain waters that would be processed by the reclamation plant; you could think of this as improving water for reuse.

Under our planning and management studies program conducted in the past we have done some work which address certain aspects of this problem. This is the first time it is integrated in a total program. But there are roots back in our previous activity.

Senator STEVENS. Are there any other agencies involved in the same type of research?

Dr. BUTCHER. Yes. In related fields. EPA has been active and is currently at a small level of activity. The Corps of Engineers and others likewise. We have taken preliminary steps to make sure that we cooperate and coordinate with them. We have an interagency agreement with EPA to make sure that there is a complementary matching activity going along in both programs, and we have our overall coordinating mechanisms. The Committee on Water Resource Research which looks at Federal research programs and coordinates them agencywide. So we are well plugged in. I believe we have the coordination side of this taken care of.

Senator STEVENS. Do you have any idea what the existing funding is of the other agencies that are involved?

Dr. BUTCHER. I was speaking with one of the people from EPA recently. I could not believe the number he quoted me. He said they were only spending \$50,000 this year on reuse. They approach it as cleaning up dirty water. We are approaching it as a potential water use. So our interest in this area is different.

I am surprised their program is so small. The Corps of Engineers is likewise addressing this incidental to other thrusts that they have. I don't think they have a specific program on this, but they are addressing this incidental to their other activities.

Senator STEVENS. You want \$3.7 million for this reuse program?

Dr. BUTCHER. Yes, sir, this will be split up partly between actual research activities or processes, and partly or what you might call demonstration activities. That is to say taking developed technologies and trying them out, perhaps at Roswell or city plants.

I have had a conversation with water officials from the city of Denver. They are anxious to move into this research area. We are anxious to work with them, Orange County, Calif., likewise. They have taken treated sewer water and injected it into the ground for later pumping and use. They have very serious problems on getting reliable systems from manufacturers. We believe research can take some of the uncertainty out of this and open up ways for others to do what they are looking into.

#### INDUSTRIAL INCENTIVE PROGRAMS

Senator STEVENS. Why isn't this an area where industrial incentive programs could work? Why do you want to do it all with the Federal Government?

Dr. BUTCHER. We believe there are public benefits for making it available. The public sector is the large part of the water supply industry, and in many cases the Federal Government is a water supply authority. So we believe there will be benefits to the public from the public spending.

Senator STEVENS. In view of the great demand for water throughout the country, I don't know why you could not get more dollars to work if you could use some kind of an incentive program. It is basic research.

Dr. BUTCHER. Research and development, sir. We cannot get dollars from the private sector if Congress does not enact our patent policy. We will be able to cost share with the private sector in some of the future programs. In other words, to get them participating by cost sharing to get things on the market where it is a marketable activity. But there will be cost sharing involved.

Senator STEVENS. Do you intend to try to do that to the extent possible?

Dr. BUTCHER. Yes, sir.

#### WATER REUSE PROGRAM AUTHORIZATION

Senator STEVENS. I understand in the bill being considered by the House, your \$3.7 million for this reuse proposal is included entirely in the saline water conversion program. Would that alter your plans for use of the money?

Dr. BUTCHER. Sir, we see this as serving the whole of the office. It is a cross-cutting program, not a saline water program. I am not sure to what extent seeing it authorized by the Saline Water Act will limit our freedom to move. I am hoping that we can mount this program in the way we have planned, which is serving the whole of interest. This opinion and based on a broad and generous interpretation of what that saline water program in effect authorizes.

## ADDITIONAL FUNDING FOR TEST FACILITIES

Senator STEVENS. If the additional funds are made available for these test facilities as proposed by the House version of the saline water conversion authorization, do you think you could use them?

Dr. BUTCHER. We have no program planned for Roswell at the present time. We would have to take a look at what could be done there. Just keeping the facility open is not what the House intends. The House apparently is thinking of mounting a development program. We have not planned any program there. If, in fact, we are directed to keep it open, we will look to see to what extent it can serve the various parts of that program. We believe we can do the program more efficiently without Roswell. And the same comment would apply to Wrightsville Beach.

Senator STEVENS. Apparently that would add considerably to your saline water program, including operations at these test facilities. Would you give the committee a justification—well, that is really not the word—give us a statement as to how you would use the money that the House proposes to authorize and how you would use the additional funding.

Dr. BUTCHER. We have received a copy of a staff recommendation to the subcommittee chairman detailing how the funds proposed under the saline water authorization should be spent. If the subcommittee accepts the recommendation from the staff and incorporates this information either in the act or in their report, and if funds are appropriated accordingly, we would be obligated either to carry out the programs so authorized or to recommend that the funds be rescinded or deferred. We cannot detail a justification for you as our planning does not provide for the continued use of the saline water test facilities, nor does it include continuation of the freezing process being developed at the pilot plant located at Wrightsville Beach.

## STATE ASSISTANCE PROGRAMS

Senator STEVENS. Last year your justification included a breakdown of estimated grant money by State and the amount of State support provided in fiscal 1975. Could you give us the same information for fiscal 1976?

Dr. BUTCHER. Yes, sir, we will furnish that for the record.  
[The information follows:]

## Office of Water Research and Technology

## Salaries &amp; Expenses

## DISPOSITION OF TITLE I MONEYS

Fiscal Year 1976 Funds

	Sec. 101 Matching Grants Amount 1/	Number	Title I Total 2/
Alabama	\$ 28,494	1	\$138,494
Alaska	-	-	110,000
Arizona	44,930	2	154,930
Arkansas	54,817	1	164,817
California	117,666	3	227,666
Colorado	164,306	4	274,306
Connecticut	-	-	110,000
Delaware	-	-	110,000
D.C.	41,079	3	81,079
Florida	23,491	1	133,491
Georgia	40,000	1	150,000
Hawaii	27,263	1	137,263
Idaho	63,227	1	173,227
Illinois	90,000	2	200,000
Indiana	118,905	3	228,905
Iowa	62,317	2	172,317
Kansas	50,627	2	160,627
Kentucky	114,952	2	224,952
Louisiana	54,333	1	164,333
Maine	37,414	1	147,414
Maryland	28,327	1	138,327
Massachusetts	86,625	2	196,625
Michigan	100,837	2	210,837
Minnesota	58,745	2	168,745
Mississippi	-	-	110,000
Missouri	55,494	3	165,494
Montana	-	-	110,000
Nebraska	65,950	1	175,950
Nevada	92,014	2	202,014
New Hampshire	-	-	110,000
New Jersey	22,439	1	132,439
New Mexico	100,000	1	210,000
New York	31,494	2	141,494
North Carolina	253,430	5	363,430
North Dakota	-	-	110,000
Ohio	78,783	2	188,783
Oklahoma	114,550	2	224,550
Oregon	41,460	1	151,460
Pennsylvania	94,125	2	204,125
Puerto Rico	-	-	110,000
Rhode Island	18,110	1	128,110
Guam	-	-	40,000

Fiscal Year 1976 Funds

	Sec. 101 Matching Grants Amount 1/	Number	Title I Total 2/
South Carolina	\$ 52,100	1	\$162,100
South Dakota	104,720	3	214,720
Tennessee	-	-	110,000
Texas	76,607	4	186,607
Utah	108,107	4	218,107
Vermont	-	-	110,000
Virginia	118,697	4	228,697
Virgin Islands	-	-	40,000
Washington	60,000	1	170,000
West Virginia	-	-	110,000
Wisconsin	50,553	1	160,553
Wyoming	53,012	2	163,012
Totals:	\$ 3,000,000	81	\$8,730,000

1/ Sec. 101 Federal funds only. Equal or larger amounts of non-Federal funds were applied.

2/ The "Title I Total" included \$110,000 granted to each of the original 51 Institutes and \$40,000 for each of three new Institutes authorized by P.L. 92-175 for the District of Columbia, Guam and the Virgin Islands.

## MATCHING GRANTS

Senator STEVENS. In the matching grant program, you request a \$200,000 increase. How many additional grants will this increase provide?

Dr. BUTCHER. The increase will provide funds for approximately five more matching grants and will partially cover the increased cost of performing research.

Senator STEVENS. How about the total program—how many grants can you fund with the \$3.2 million?

Dr. BUTCHER. At the \$3.2 million level, we will be able to fund approximately 70 to 75 grants.

Senator STEVENS. Is there a limit to the amount of an individual grant?

Dr. BUTCHER. No; there is not an individual limit. Matching grants averaged approximately \$37,000 during fiscal year 1976.

Senator STEVENS. Does the regional breakdown you show in your justification serve as a basis for grant distribution? Do you allocate a limit to each region?

Dr. BUTCHER. Proposals submitted are evaluated on their individual merits in relation to program priorities. Grant money is distributed on the basis of proposal merit and anticipated contribution to solving or mitigating water resources problems. There is no allocation per region.

Senator STEVENS. Why is it that you aren't requesting a cost factor increase in grants to institutes?

Dr. BUTCHER. The program for matching grants was funded at \$3 million for fiscal 1976, and for fiscal year 1977 we are asking for \$3.2 million. This increase will allow us to continue this level of effort at about the same level as in prior years, considering the cost-factor increases.

## WATER RESOURCES RESEARCH

Senator STEVENS. The Water Resources Research portion of your justification does not provide a breakdown by subactivity in terms of dollars. Provide this information for the record. While you're at it, provide subactivity tables for all activities.

Dr. BUTCHER. Yes, sir. We will supply the information you requested.

Senator STEVENS. Also submit an explanation of changes in subactivity amounts.

[The information follows:]

## Office of Water Research and Technology

## Salaries and Expenses

## Summary by Activity/Sub-Activity

(in thousands of dollars)

<u>Activity/Sub-Activity</u>	<u>FY 1976 Appropriation</u>	<u>FY 1977 Request</u>
Assistance to States for Institutes	5,730	5,730
Matching Grants to State Institutes	3,000	3,200
Water Resources Research	4,763	4,450
1. Water Conversion Process Research	1,410	800
2. Water Resources Planning & Management	1,400	1,900
3. Water Related Problem - Aiding Indian Self-Determination	200	200
4. Protection of the Water & Water-Related Environment	700	700
5. Solving of Energy-Related Water Problems	778	850
6. Promotion of Water Use Efficiency	275	-0-
Technology Development	1,490	5,500
1. Water Conversion Processes	1,150	1,000
a) Sea Water Membrane Development	500	1,000
b) Freezing Process Development	400 <sup>1/</sup>	
c) Wrightsville Beach Test Facility	250	
2. Technology Assessment & Research Transfer	340	600
3. Water Reuse		3,700
a) Applied Research & Planning		2,100
b) Technology Development		1,600
4. Other Water Resources Technologies		200
Scientific Information Center	986	1,100
Administration	2,211	2,293
Total	<u>18,180</u>	<u>22,273</u>

<sup>1/</sup> \$250,000 for Wrightsville Beach  
Operations & Maintenance

The increases and decreases for the subactivities under Water Resources Research are as follows:

Water Conversion Process Research, FY 76 \$1,410,000, FY 77 \$800,000, a decrease of \$610,000. The decrease represents basic research on water and the properties of water that is performed by the Institute and Matching Grant Programs.

Water Resources Planning and Management, FY 76 \$1,400,000, FY 77 \$1,900,000, an increase of \$500,000. The increase represents additional emphasis being placed on Water Resources Planning and Management to facilitate ground water recharge in urban areas, use of saline aquifers for storage of fresh water, conjunctive services in ground water use, and harvesting of water for improving land productivity.

Water Related Problems—Aiding Indian Self-Determination, FY 76 \$200,000, FY 77 \$200,000, no increase. This is a continuing program to help Indians achieve self-determination through the solution of water resources research problems.

Protection of the Water and Water-Related Environment, FY 76 \$700,000, FY 77 \$700,000, no increase. This program covers a broad range of activities for the protection of the water and water-related environment. No increase is requested as this is a continuing program.

Solving of Energy-Related Water Problems, FY 76 \$778,000, FY 77 \$850,000, an increase of \$72,000. The increase will be used to focus on acid mine drainage control.

Promotion of Water Use Efficiency, FY 76 \$275,000, FY 77 \$-0-, a decrease of \$275,000. Activities conducted under this program are closely related to Water Resources Planning and Management. The remaining activities of this program are being covered by the Water Resources Planning and Management Program.

#### ENERGY-RELATED WATER RESEARCH

Senator STEVENS. You list several types of research under energy-related water problems. Could you provide us with a breakdown showing how much money is going into each type of research?

Dr. BUTCHER. Yes, sir, I'll be glad to furnish that for the record.  
[The information follows:]

#### ENERGY-RELATED WATER PROBLEMS—FY 1976 FUNDING

<i>Program</i>	<i>Amount</i>
Coal mining and oil shale development on water resources.....	\$221,000
Methodology to minimize and adverse water-related consequences—social, economic and environmental.....	299,000
Analytical modeling of water supply allocations.....	210,000
Cooling and process water needs.....	98,000
Water conservation.....	44,000

#### TECHNOLOGY DEVELOPMENT

Senator STEVENS. What type of research will be funded with the \$72,000 increase in the energy-related area?

Dr. BUTCHER. Acid-mine drainage.

Senator STEVENS. The water conversion processes subactivity under technology development takes nearly a \$3 million cut. Please detail the items covered in this reduction. Specifically, how much of this amount relates to proposed closings of Roswell and Wrightsville?

Dr. BUTCHER. The \$3 million cut represents the completion of our work on brackish water membranes at the Roswell Test Facility in support of the Colorado River Basin salinity control project. The Congress appropriated \$2,900,000 for this purpose in fiscal year 1975. The program was not initiated until late fiscal year 1975. It will be completed by the end of fiscal year 1976. Approximately \$600,000 will be expended to operate the Roswell Test Facility in fiscal year 1976. About the same amount is required for the operation of the Wrightsville Beach Test Facility for fiscal year 1976. The development work being conducted at Roswell, in accordance with our planned

program coordinated with the Bureau of Reclamation, will move to the Bureau of Reclamation Yuma test site. Further test and development will be on actual brackish waters from the Wellton-Mohawk Canal to determine application of this technology for incorporation into the construction of the 100 million gallon per day Yuma desalting plant. When our development program is moved to Yuma, we will have no further use for the Roswell Test Facility. Programs being carried out at the Wrightsville Beach Test Facility that have not been concluded by the end of fiscal year 1976 will be moved to other locations for further test and development on actual water problems at specific sites. We believe this will show economies in that the Wrightsville Beach Test Facility was constructed to support a much larger development program than is currently planned for fiscal year 1977.

#### TEST FACILITY DISPOSAL

Senator STEVENS. What are your plans for disposal of the three test facilities? Do you intend to make them available to other Interior agencies?

Dr. BUTCHER. In accordance with Government property disposal regulations, we must first inform other offices and bureaus of the Department of the Interior of the availability of the two test facilities. We have already completed this in the case of the Wrightsville Beach Test Facility and the Department has shown no interest. The Roswell Test Facility availability is currently being circulated throughout Interior and, as yet, we have received no responses. When the Department indicates they have no need for these test facilities, then they will be turned over to GSA for disposal. The Fountain Valley Test Facility is on property owned by the Orange County Water District. Therefore, it is not available to any other Interior or Government agencies. Our plant located on Orange County property will be disposed of in accordance with Government regulations that I previously indicated were applicable to the other two test facilities.

#### TECHNOLOGY ASSESSMENT

Senator STEVENS. Under "technology assessment and research transfer" you fail to clearly indicate what the \$260,000 increase will accomplish. Where will the increase apply, and what additional work will it allow you to accomplish?

Dr. BUTCHER. The technology assessment and research transfer effort has high priority candidates for using increased funding. They include demonstration type projects such as saline water: A cooperative program with the State of New Mexico to demonstrate the desalting membrane technology for use by small cities with brackish water problems and a requirement to meet drinking water standards. A compact mobile test unit which can be moved from site to site is proposed. Also, a cooperative program with an appropriate city or waste water processor to demonstrate on a small scale the potential for using saline water conversion processes in a waste water reuse program is planned.

Then there is a cooperative program with a water resource management organization designed to test in a real world water management

system some of the research theory developed by our research program in the computer modeling field.

Additionally, a field demonstration project in a small watershed area to test and display a number of different theoretical ideas developed by our past research program is planned.

#### SCIENTIFIC INFORMATION CENTER

Senator STEVENS. Your justification under the Scientific Information Center lists the installation of additional terminals as one of the items covered by the increase. How many terminals do you propose to add?

Dr. BUTCHER. Three leased-line reactive terminals are planned to expand the existing network of both leased-line and dial-up terminals. So as to make them more easily accessible to a greater number of potential users, these would be placed in large metropolitan centers to complement terminals at State water research institutes.

Senator STEVENS. What is the cost of each terminal? Also, where do you plan to locate them?

Dr. BUTCHER. The cost of establishing and operating each center is approximately \$19,000. Among the cities being considered are Boston, Chicago, New Orleans, and San Francisco.

Senator STEVENS. You list several other items covered in the increase but fail to indicate the dollars associated with them. Please provide a detailed listing of the things you plan to accomplish and the cost associated with each item.

Dr. BUTCHER. Additional funds are also needed to replace input from the five document processing centers which EPA has ceased funding in the area of water quality. To establish two document processing centers for partial replacement of this loss, \$50,000 will be used.

Expanded effort to produce topical bibliographies is planned in areas of high interest with an estimated expenditure of about \$7,000.

#### ADMINISTRATION

Senator STEVENS. There are some substantial differences in your fiscal year 1976 object class breakdown between what was approved and what you are now reporting. Would you explain the 50-percent increase in travel?

Dr. BUTCHER. At the time the fiscal year 1976 budget justification was prepared, the Office of Saline Water and the Office of Water Resources Research had just recently been merged and staff assignments and responsibilities were not as yet clearly defined. Estimates presented were based on the best information available at the time. However, the estimates did not take into account the operation of three test facilities and the planned phase-down and closing. Additional travel was required by Washington headquarters people to oversee the test facility operations and to oversee the inventorying and preparation of documentation required for the closing down of these facilities. The estimates were increased, based on this information, and approval was obtained for submission to the Congress of the revised numbers.

Senator STEVENS. What about "other services"—you now show a 71 percent increase partly related to a \$2.7 million carryover from fiscal year 1975. What caused your remainder of the \$3.3 million increase?

Dr. BUTCHER. You are correct about part of the increase being caused by the \$2.7 million carryover of saline water funds. In addition to the carryover, there was approximately \$600,000 unused balance on saline water contracts that were finished. These funds will be used to partially fund fiscal year 1976 saline water programs.

Senator STEVENS. What accounts for the nearly \$1.5 million increase in "other services"?

Dr. BUTCHER. The saline water field test and development activity is carried out by contractors. Contracts are classified under object class 2500—Other services. The \$1.5 million increase in that object class represents contract activity carried out in connection with the 2.9 supplemental appropriation for the operation of the Roswell Test Facility.

Senator STEVENS. How is it that you are requesting a \$200,000 increase in grants to State institutes, yet the object class for "Grants and Subsidies" shows no increase?

Dr. BUTCHER. Matching grants to State institutes are included under object class 4100—Grants and subsidies. However, research conducted under Water Resources Research is conducted by grants to institutions as well as to research contractors. There is a corresponding decrease in grants under water resources research that accounts for the "Grants and Subsidies" amount remaining the same.

Senator STEVENS. More than one-third of your permanent positions is made up of supergrades. You still appear too top heavy. Why can't your upper level staff be pared down?

Dr. BUTCHER. The work carried out by the Office of Water Research and Technology is supervised by a highly-professional, highly-scientific level in the Washington office. Actual research is conducted by grantees and contractors. Considering the numbers of individuals, and the nature of their highly scientific and technical work, working under contract to OWRT, it requires a high degree of technical and scientific competence by our upper-level staff to properly supervise our programs. The work force for OWRT is much larger than appears in our personnel roster as many are employed by our grantees and contractors. Taking into account this workforce under contract to us, our upper echelon appears in line with the responsibilities assigned to them.

Senator STEVENS. What is the explanation for the \$2.7 million carryover from 1975? Is that all saline water technology?

Dr. BUTCHER. The carryover from fiscal year 1975 was all Saline Water funds. Water Resources Research funds are annual funds and if not obligated by the end of the fiscal year are no longer available. Saline Water funds are available until expended. The 2.7 million carryover represents the balance of the 2.9 supplemental appropriation given us by the Congress to carry out the brackish water membrane program at Roswell, N. Mex., in support of the Yuma plant. The funds were appropriated late in the fiscal year and, therefore, could not be fully obligated in fiscal year 1975.

Senator STEVENS. Do you still estimate there will be no unobligated balance at the end of fiscal year 1976 under your budget proposal?

Dr. BUTCHER. If our current plans are carried out, and if we experience no difficulty in awarding contracts and grants, we estimate there will be no funds to be carried over at the end of fiscal year 1976.

Senator STEVENS. What unobligated balance would you estimate if the House authorization were funded?

Dr. BUTCHER. This is a difficult question to answer as we have made no plans to operate and maintain the test facilities authorized by the House beyond the end of fiscal year 1976. Our fiscal year 1977 programs have not been fully evaluated as to the impact of the House authorization. The details of the House authorization have just been made available to us and it would take some time to develop plans and relate these to our existing and planned programs. Since it does require considerable advanced planning to carry out an effective research and development program, it is possible that there may be some funds unobligated at the end of the fiscal year.

#### QUESTIONS SUBMITTED BY SENATOR MONTOYA

Senator STEVENS. We have a series of other questions from Senator Montoya. I would appreciate it if you could answer those for the record.

Secretary HORTON. We would be happy, Mr. Chairman, to provide those for the record.

Senator STEVENS. Return it with the transcript, if you will.

Secretary HORTON. Fine, sir.

[The questions and answers follow:]

#### ROSWELL TEST FACILITY

*Question.* How long has the Roswell Test Facility been in operation?

*Answer.* Test operations at the Roswell Test Facility commenced in 1967. The facility was constructed as an adjunct to the original one million gallon per day forced circulation vapor compression distillation demonstration plant which was completed in 1963.

*Question.* What testing activity is currently underway at the Roswell facility?

*Answer.* Currently, tests are being made on the use of carbon dioxide for pH control, sulphur dioxide for dechlorination of feed water to membrane modules, and on dry reverse osmosis membranes. Also, evaluation of new, larger reverse osmosis modules and an electro dialysis stack is underway. The current test program is exclusively in support of the Yuma Desalting Plant. The large modules will be moved to the Bureau of Reclamation test site at Yuma, Arizona for testing on actual brackish water prior to the end of the fiscal year.

*Question.* How many employees are presently involved in the operations at Roswell?

*Answer.* Presently, there are 17 contract employees and one OWRT employee at the Roswell Test Facility.

*Question.* How would you evaluate the work which has been done at the Roswell Test Facility?

*Answer.* The vapor compression distillation demonstration (test bed) plant, which was built in compliance with the Act of 1958, was dismantled when testing was completed in 1972. This plant demonstrated the technical feasibility of the process for brackish water desalting. Newer membrane processes being developed were considered to have greater potential for reducing the cost of desalting brackish water. Therefore, the facility was converted and expanded for brackish water membrane testing and development. The membrane work provided data which led to successful commercial application of membrane processes for desalting brackish waters. Specific programs conducted at the Roswell Test Facility included evaluation of various reverse osmosis candidate membranes and module design configurations. Testing at the facility accelerated the development of improved, scaled-up reverse osmosis modules which are being commercially offered today. Work was also undertaken which proved the technical feasibility of employing multi-stage reverse osmosis for attaining high product water recoveries. The use of electro dialysis as a brine concentrator was also successfully

demonstrated. In this case, effluent brine from a reverse osmosis unit was concentrated up to 200,000 ppm TDS corresponding to a product water recovery of about 99%. In the distillation area, another method evaluated the use of a vapor compression distillation system for obtaining dry salts. This latter method is now also being used commercially.

*Question.* Considering the large amounts of brackish water which exist in large underground pools throughout the Southwest, can't the facility at Roswell be used to develop the necessary technology to make this water available for multiple uses?

*Answer.* There are estimated to be large amounts of brackish water throughout the Southwest. However, waters there can now be desalted with commercially available equipment. Further research and development, no doubt, could produce better and longer life membranes and membrane module design configurations which perhaps reduce the cost of desalted water. As the market develops, there may be incentive for industry involvement. The water reuse program proposed in our budget proposes to explore these problems along with several others.

*Question.* New Mexico State Engineer, Steve Reynolds, in testimony before the Subcommittee on Water and Power Resources of the House Committee on Interior and Insular Affairs, February 27, 1976, stated that while the work at Roswell had been very effective, reaching a recovery efficiency had not been reached. In light of this situation, Mr. Reynolds urged that the Roswell facility remain open to develop the technology which would reach the 90 percent goal. I ask that his statement be included in the record. Would you comment on this please?

[The statement follows:]

Mr. Chairman, for the record, my name is S. E. Reynolds. I am the New Mexico State Engineer.

I believe that it is of great importance, particularly to the western states, that legislation be enacted to authorize appropriations to continue work toward the objectives of the Saline Water Conversion Act of 1971.

New Mexico is most vitally interested, of course, in the advancements that can be made by continuation and expansion of the activities at the Roswell Test Facility of the Department of the Interior. In 1963 the State of New Mexico contributed \$100,000 to the construction of a saline water conversion plant utilizing the vapor compression process at the Roswell site. The City of Roswell donated the land for the demonstration plant site and the facilities needed to dispose of brine effluent from the plant. In recent years the test facility has been converted to a brackish water test center with facilities for research in membrane processes, including a high pressure pump loop for testing pumps of the nature used in reverse osmosis desalting plants. The State of New Mexico, the City of Roswell, and the other communities of the state continue to be actively interested in the operation of the Roswell facility of the Department of the Interior.

There are several western water resources problems that could be solved, or at least mitigated, by continued federal research in membrane technology. In the course of consultations on the formulation of legislation to authorize the construction of a conversion plant to treat the return flows from the Wellton-Mohawk Irrigation Project for delivery to Mexico, representatives of the executive department advised representatives of the Colorado River Basin states that then current reverse osmosis membrane technology would allow the recovery of only about 70% of the plant feed water, leaving 30% of the feed water to be disposed of as unusable brine effluent. The executive department assured us that ongoing research gave promise that the recovery efficiency could be increased to 90%. With a recovery efficiency of 70% it would be

necessary to dispose of annually about 43,000 acre-feet of brine effluent from the plant authorized, thus reducing the amount of water available for use in the Colorado River Basin in the United States by that amount. At 90% efficiency the waste stream could be reduced to about 13,000 acre-feet.

In the course of the negotiations the representatives of the states were assured that research toward the objective of 90% recovery efficiency would be pursued. With the support and direction of Congress that commitment has been implemented and some progress has been made. A letter from the Acting Secretary of the Interior to Senator Domenici dated October 10, 1975 points out that the research and development work conducted at the Roswell Test Facility has been very successful and has already played an important role in providing the technology needed for the design of the 100 million gallon per day desalting plant to be constructed at Yuma.

While ongoing research is yielding useful results the objective of 90% recovery efficiency has not yet been achieved. This objective is of economic importance to the United States, particularly for the reason Section 101(c) of the Colorado River Basin Salinity Control Act recognizes that it is the responsibility of the United States to replace the water in the reject stream from the authorized Yuma desalting plant.

Several of the units authorized for study by Title II of Public Law 93-320 could usefully employ membrane conversion processes. Research and technology development that would reduce costs and energy requirements and improve the recovery efficiency of the membrane processes would improve the prospects for achieving the salinity control objectives of Title II of the Act.

At this time it seems clear that the "Safe Drinking Water Act" (PL 93-523) and the regulations to be promulgated under it will sharply increase the need for membrane conversion processes of low cost and high recovery efficiency in communities throughout

the United States, and particularly in the west. The impact of this legislation will probably be felt most by our small communities if research and technology development do not yield small capacity desalting units having low capital and operation and maintenance costs and high recovery efficiencies.

During the past few years there have been indications that the executive branch intends to abandon or severely curtail its activities in saline and brackish water conversion research. Mr. Chairman, I suggest that that should not be done. I believe it is generally recognized that the Office of Saline Water, and more recently the Office of Water Research and Technology, under the authority given by the Congress, made extremely important contributions to the technology of saline water conversion, particularly in the development of the membrane processes. Nonetheless, I believe there remains a great opportunity to reduce costs, improve feed water recovery efficiency and reduce energy requirements by further membrane research and technology development. This view is supported by the following quotation from the House Committee on Interior and Insular Affairs Report on H.R. 3109 (Report No. 94-103).

This (progress in membrane technology) is clearly illustrated by the acceptance of desalting technology as a means of solving the international salinity problem on the Colorado River which has perplexed this Nation's relations with the Republic of Mexico for a decade or more. In this instance there is a recognized need for further research and development to enhance the effectiveness and efficiency of the desalting plant to reduce the quantity of waste from the facility and to minimize operating costs through extended component life and energy requirements.

This view is also supported by the following quotation from the Senate Committee on Appropriations Report on H.R. 8773 (Report No. 94-462).

The Committee understands that present plans of the OWRT are to close the Roswell, New Mexico brackish water test facility. However, it is the Committee's belief that this existing facility can play a continuing and important role in this technology development and directs that the Roswell plant be kept operational beyond fiscal year 1976 and be staffed at its authorized level.

Some have suggested that in consideration of the state-of-the-art of saline water conversion, it is time for the federal government to abandon its research and technology development and rely on private industry for future research and development in this field. I submit that this suggestion is not well taken in consideration of the immediate problems on the Colorado River and the imminent problems under the Safe Drinking Water Act. Research directed toward improvement of recovery efficiency is of particular importance to the western states, and the general market for saline water conversion facilities may not give private industry sufficient incentive to improve recovery efficiency.

Mr. Chairman, I urge your Committee's early and favorable consideration of H.R. 11559. I welcome this opportunity to appear before you in support of the bill and to express New Mexico's appreciation of the strong support for the saline water conversion program that the Committee has given in the past.

Answer. Recovery of 90 percent of a brackish feed water is technically feasible through the use of multi-stage reverse osmosis or a dual process plant system. This type of system could be used on the Yuma Desalting Plant. However, though the technical feasibility has been demonstrated, the Congress made available \$3.5 million to conduct R&D to develop a high recovery system. We have been using these funds over the past two years for that purpose and to provide technology for the Yuma plant. With the design and construction of a 100 million gallon per day (mgd) plant, there would appear to be quite a large incentive for industry to take the last few steps on their own. However, if the economics of high recovery are not favorable, then I believe industry would be reluctant to continue.

*Question.* Considering the economic importance of water in New Mexico and the entire Western United States, shouldn't we commit ourselves to referring our technology so as to allow the 90 percent recovery efficiency to be reached?

Answer. The recovery of 90 percent of the water in many places where desalting is used at inland sites may be justified to balance brine disposal costs when using evaporation ponds. At Yuma, 90 percent recovery would not be cost effective compared with brine disposal via a canal to the Santa Clara Slough which is less expensive than solar ponding. In this case, additional costs for higher recovery must be compared with other alternatives and their costs.

*Question.* Could you estimate the amount of money that would be needed for the Roswell Test Facility to continue in operation through FY '77, for the purpose of further improving our membrane technology?

Answer. Current annual operating and maintenance costs run approximately 600,000 per year. Since the testing for the Yuma plant is being moved to the plant site at the end of this fiscal year and further programs are planned for on-site testing, it would be difficult to provide a number with any degree of accuracy. Future membrane programs are planned for testing on actual problem water at the site where the problem is located.

*Question.* What staffing resources would be necessary for the Roswell facility to proceed at a suitable pace toward the 90 percent goal?

Answer. Research and development to achieve high recovery—90 percent—for the Yuma Plant should be conducted at the Bureau of Reclamation test site located where the 100 mgd plant is to be constructed and work performed on the actual waters to be desalted. However, any additional work could not be completed in time to be used in the design and construction of the Yuma plant. The Congress provided \$3.5 million to achieve high recovery and I believe we made significant progress towards that end in the time allowed. I also believe that the \$3.5 million Federal investment was appropriate for this effort and further large investments by the Federal Government would not significantly improve the economics of the Yuma plant.

#### SUBCOMMITTEE RECESS

Senator STEVENS. We will be in recess until tomorrow morning at 10 a.m. when we will hear the request of the U.S. Forest Service.

Thank you, gentlemen.

[Whereupon, at 2:50 p.m., Wednesday, March 17, the subcommittee was recessed, to reconvene at 10 a.m., Thursday, March 18.]

DEPARTMENT OF THE INTERIOR AND RELATED  
AGENCIES APPROPRIATIONS FOR FISCAL YEAR  
1977

THURSDAY, MARCH 18, 1976

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

The subcommittee met at 10:10 a.m., in room 1114, Everett McKinley Dirksen Office Building, Hon. Ted Stevens presiding.

Present: Senators Stevens and Hatfield.

DEPARTMENT OF AGRICULTURE

FOREST SERVICE

STATEMENTS OF:

ROBERT W. LONG, ASSISTANT SECRETARY FOR CONSERVATION, RESEARCH AND EDUCATION,  
JOHN R. McGUIRE, CHIEF, FOREST SERVICE

ACCOMPANIED BY:

REXFORD A. RESLER, ASSOCIATE CHIEF  
JACK W. DEINEMA, DEPUTY CHIEF, ADMINISTRATION  
ROBERT E. BUCKMAN, ACTING DEPUTY CHIEF, RESEARCH  
THOMAS C. NELSON, DEPUTY CHIEF, NATIONAL FOREST SYSTEM  
R. MAX PETERSON, DEPUTY CHIEF, PROGRAMS AND LEGISLATION  
PHILIP L. THORNTON, DEPUTY CHIEF, STATE AND PRIVATE FORESTRY  
WILLIAM A. CAMPBELL, DIRECTOR, PROGRAM DEVELOPMENT AND BUDGET  
WARREN A. BLIGHT, DEPUTY DIRECTOR OF BUDGET, DEPARTMENT OF AGRICULTURE  
RICHARD L. FOWLER, DIRECTOR, NATURAL RESOURCE DIVISION, OFFICE OF GENERAL COUNSEL

BUDGET ESTIMATE

Senator STEVENS. Good morning, gentlemen.

This is the day scheduled to hear the fiscal 1977 budget estimates of the U.S. Forest Service, which are accompanied this year by the first assessment and report mandated by the Forest and Rangeland Renewable Resources Planning Act of 1974.

The 1977 request of the Forest Service totals \$717.2 million in new budget authority. This is an increase over appropriations to date of \$179 million. However, if we eliminate the \$200 million shown as budget authority for the first time for road construction we find this more realistic comparison puts the total 1977 request closer to \$21 million below 1976 appropriations to date.

There is also a request for \$170.1 million to liquidate road contract authority, an increase of \$57.2 million over 1976. The justification has been included in part 2 of the hearing record.

#### COMMITTEE PROCEDURE

Secretary Long and Chief McGuire, we welcome you again before the committee. I understand you both have statements.

We are going to do something a little different because Senator Hatfield has to get to the floor. He is managing a bill there.

If you don't mind, gentlemen, we will ask Senator Hatfield to proceed, and then we will proceed with Secretary Long's statement and Chief McGuire's statement.

Before Senator Hatfield starts though, to make certain that the record is clear, would you kindly identify the people at the table with you so that the reporter will know how they are lined up.

Secretary LONG. Mr. Chairman, we have already identified for the reporter the lineup of the people present here. If you would like, however—

Senator STEVENS. Very well.  
Senator Hatfield?

#### RENEWABLE RESOURCES EVALUATION

Senator HATFIELD. Thank you very much, Mr. Chairman. I am very grateful for your adjustment here this morning so that I might participate in this hearing.

First of all, in the renewable resource evaluation part of your budget, would you please state the purpose of this program and evaluate its importance? I think you are requesting about \$7.1 million in the renewable resource evaluation.

Secretary LONG. I will ask Chief McGuire if he will detail that for you.

Mr. MCGUIRE. Senator, this is one of the most important program proposals ever made for forestry in the United States. The law passed by Congress in 1974 requires an assessment of all of the forests and rangelands in the country, public and private, 1.6 billion acres. The program in the budget, however, deals only with Forest Service activities.

The program looks ahead to the year 2020. It sets proposed targets for all Forest Service programs for intervening years, particularly until 1980. It was the basis for deriving the budget estimate before you.

Senator HATFIELD. Could you tell me what the Department request was to OMB?

Secretary LONG. Yes. Who has that? This is the Department's request to OMB, Senator.

Mr. MCGUIRE. Mr. Chairman, the total request for new budget authority, looking at everything—and this is not quite comparable with the figures you have in front of you—was \$903,958,000.

Senator HATFIELD. That is the budget figure for renewable resource evaluation? Out of your forest research area? You have a blind item.

Mr. McGUIRE. Excuse me, Senator. Were you asking just for the resource evaluation part?

Senator HATFIELD. Yes. The figure we have in the budget is \$7.1 million. Now, I am asking what was the request made by the Department to the OMB?

Mr. McGUIRE. The budget figure is \$7,153,000. The Department's request was \$6,988,000.

Senator HATFIELD. So, in other words, the Department cut you to less than what even OMB was willing to offer, is that right? As I understand it, the Forest Service asked for \$9.2 million.

Mr. McGUIRE. That is correct.

Senator HATFIELD. The Department of Agriculture cut you to \$6.9 million.

Mr. McGUIRE. That is correct.

Senator HATFIELD. And OMB demonstrated some remarkable wisdom and raised you back to \$7.1 million.

Mr. McGUIRE. That is correct.

Senator HATFIELD. Why did the Department cut so much out of this if this program is as important as you indicate?

Secretary LONG. Senator Hatfield, I cannot remember the details of that particular item.

Senator HATFIELD. Could you supply that for the record, please?

Secretary LONG. We will supply that for the record.

[The information follows:]

Working within dollar limitations for fiscal year 1977, the Secretary chose to emphasize various programs within the Forest Service and provided an increase for Renewable Resources Evaluation within Forest Service Research. Subsequent minor adjustments within OMB raised the amount available for Renewable Resources Evaluation.

#### INSECT AND DISEASE MANAGEMENT

Senator HATFIELD. Turning to the forest insect and disease management program, last year the Congress raised the level of your contingency fund to \$10 million. This year you are requesting a level of \$5 million less. Can you explain the reason for this decrease?

Mr. McGUIRE. That is correct, Senator. The plan last year, you may recall, was to carry a contingency fund of \$10 million so that we would not have to come back every year for a supplemental appropriation. Because of the need to hold down expenditures this year, it was felt that we could get along with a \$5 million contingency, and if that did not work, then we would come back for a supplemental.

Senator HATFIELD. And yet, if I am correct—let me cite the figures for you—you requested \$22.1 million for this insect and disease management program.

Mr. McGUIRE. That is correct.

Senator HATFIELD. The Department recommended \$20.8 million.

Mr. McGUIRE. That is correct.

Senator HATFIELD. And OMB authorized \$15 million.

Mr. McGUIRE. That is correct.

Senator STEVENS. May I interrupt? How much of the contingency fund will you use in 1976?

Mr. MCGUIRE. We have not completely decided that question. The Appropriations Committees have asked us to take a look at the size of the Federal share going into insect and disease control projects on non-Federal land. We are doing that.

We are proposing to maintain the status quo for this year. If we go to a new formula, it would not be instituted until next year. If that proposal is not agreeable to all concerned, then we would probably need the full contingency of \$10 million.

Senator STEVENS. In this fiscal year?

Mr. MCGUIRE. In fiscal year 1977.

Senator STEVENS. I am talking about 1976. How much are you going to use in 1976?

Mr. MCGUIRE. We already have a contingency fund.

Senator STEVENS. But how much are you going to use?

Mr. MCGUIRE. We may have to use all of it this year.

Senator STEVENS. Thank you.

Senator HATFIELD. Chief, I understand it is not just a reduction in a contingency fund, but that positions are being reduced as well, the numbers of positions. Is that correct?

Mr. MCGUIRE. That is correct. If we do not have enough money in the \$5 million contingency, and we have to come back with a supplemental request, we would also have to ask for more manpower.

#### MOUNTAIN PINE BEETLE

Senator HATFIELD. Do you crank into this particular budget the mountain pine beetle problem? I understand that a billion more trees are infested in the northwest part of Oregon. You are currently conducting a study of salvage program needs nationally, which includes the lodgepole pine area infestation. Will this study be affected by this reduction of your budget and with the reduction of personnel?

Mr. MCGUIRE. I will ask Mr. Thornton to amplify, Senator, but the problem you are talking about involves not only insect and disease control programs but also salvage. In the West we have some 27 billion board feet of timber that is salvageable in some respects, not all of it accessible.

Mr. THORNTON. Part of the question, Senator Hatfield, goes to the point of our ability to project that far ahead what the cyclic pests will do. For instance, some of the defoliators tend to be cyclic. If the spruce budworm fades off in Maine, for example, you may not have a \$5 million item for 1977 as we are projecting for 1976.

But part of the problem is we cannot specify exactly what the suppression projects will total that far ahead. On the mountain pine beetle case, we know that it is very significant throughout the West. We are hopeful some of these other areas will slack off and provide the funding there despite the decrease in contingency.

#### ADEQUACY OF INSECT CONTROL BUDGET

Senator HATFIELD. With the information we already have and with the experience of the tussock moth, which was far underestimated as far as the cost factor, I find it difficult to understand the reduction indicated in your budget, not only, as I say, in terms of reduction of contingency fund, but also loss of personnel.

It just seems to me that we are postponing the inevitable, and that perhaps if attempted sooner, we might be more effective. I am not an expert in this field, but just on the surface it does seem to me we are going in the wrong direction as far as taking care of infestation problems that we already have and know about without waiting for projections or trying to anticipate what might happen. We know what exists now.

Secretary LONG. Senator Hatfield, I should complement the remarks, that we do have an intensive program continuing and underway which would include both gypsy moth and tussock moth and southern pine beetle. This is a comprehensive management program which I think you are familiar with. It is making, what we think, important progress, particularly in the West. We are hopeful that the effort that is made here will have applicable features in terms of not only the mountain pine beetle, but also insect pest problems that we face in the forest.

Although we understand your concern and share some elements of that in the reduced personnel in terms of this type of program, if we need it, I assure you we will make every effort to come back, or whatever would be the appropriate measure to increase our resources.

Senator HATFIELD. If it had not been for Senator Stevens' help and Senator Bible and others, we would have been up a tree, so to speak, on the tussock moth problem. We had to come back with increases and increases as that became more devastating.

I think we could deal with the full scope of this problem in the budget without waiting for supplementals. We would have far greater opportunity to get the tools with which to fight it. That is all I am suggesting, a better strategy. Postponement sometimes increases the costs as well as the difficulty of getting funding.

Secretary LONG. Senator Hatfield, Dr. Buckman is here. He has stated to us and quite a few others that we have made some important breakthroughs, particularly on the tussock moth problem in the West which could be very meaningful in terms of future problems.

#### TIMBER SALES PREPARATION

Senator HATFIELD. Let me turn now to the matter of sales preparations. Just to recite for the record briefly, in 1975 we had 11,867 million board feet prepared, and then in 1976, it dropped to 11,234 million board feet. We are projecting in 1977 a drop of almost 1 billion down to 10.4 billion board feet.

With housing start demands of high magnitude, how can you justify this continuous decline?

Mr. MCGUIRE. Senator, it is true that housing starts are increasing in number. We expect a million and a half rate in the current year.

On the other hand, we do have about 30 billion board feet of sold timber under contracts, so the industry could respond very promptly if the market demands additional supplies.

We are also carrying over from an earlier year about 1 billion board feet of timber ready to be sold, but not yet sold. We would have for sale under this 1977 program, not only the 10.4, but the additional 1 billion.

Senator STEVENS. It is already cut?

Mr. MCGUIRE. No, it has not been sold; but it is prepared for sale.

#### LUMBER MARKETS

Senator HATFIELD. Let me go into this in a little depth if I could. On page 28 of your testimony, you make the statement: "that the demand for national forest timber will be affected by the depressed market for timber products and, to some extent, by the *West Virginia* decision."

What is this "depressed market for timber products" that you refer to? Would you describe that for me?

Mr. MCGUIRE. The market for timber for the past year has been slack. It has picked up a little bit in recent months, but it is nowhere near the vigorous state it was in, in 1973. The market, of course, is influenced by demands for housing and other commodities.

Senator HATFIELD. Are you talking about the retail market?

Mr. MCGUIRE. I am talking about the market for lumber and plywood.

Senator HATFIELD. What about the market for logs?

Mr. MCGUIRE. The market for logs, of course, is derived from the market for lumber products. I would think that the market for logs is also somewhat slack at the present time.

Senator HATFIELD. My information is that the demand for logs has remained very high during these periods of low housing starts.

Chief, I am sure you realize that there is not always a direct relationship between the market on the retail front for plywood and lumber products and the market demand for logs. Some of these mills operate with high inventories gambling on the future markets. I do not agree with you that there is a direct relationship in every instance between the demand for logs and the demand for lumber products. My information is that the demand for logs has remained very high. Is that inaccurate?

Mr. MCGUIRE. We think the demand for stumpage has remained very high, but many mills are limited as to physical space in what they can store in the way of logs.

I would say that the industry tends to conduct its logging in anticipation of the demand for lumber. There would not be much point in getting too far ahead. I think the demand for stumpage has stayed high, but I think the demand for logs—

#### STUMPAGE DEMAND

Senator HATFIELD. I think you have had a number of premium sales within the last year. There is quite a heavy demand when they are bidding higher than the appraised value for these logs.

Mr. MCGUIRE. I think maybe we are in agreement here, except over the question of logs versus stumpage. I would say the demand for stumpage is high; the demand for logs, however, is more closely related to the demand for lumber. The prices you are talking about are stumpage prices rather than log prices, I believe.

Senator HATFIELD. When there is a reduction in sales, doesn't this relate to the demand, to the price of logs? Don't we expect an increase when there is such a reduction?

Mr. MCGUIRE. When there is a reduction in timber sales we expect that it will be reflected in higher prices for the standing timber that is being sold.

Senator HATFIELD. So then by reducing the sales preparation you are in effect stimulating a higher priced market, is that right? Is that what you are saying?

Mr. MCGUIRE. It may have something of that effect. However, as I say, there is a substantial volume already in the hands of the industry under contract. I believe that in the typical auction of standing timber, the buyers are looking ahead beyond the present year. They are anticipating what the market might be 2 or 3 or 4 years hence when they get around to actually doing the logging and selling the finished product.

#### REGION 6 SALES

Senator HATFIELD. In region 6, I understand your sales offering will be reduced by about 96 million board feet in fiscal 1976.

Mr. MCGUIRE. That is approximately correct.

Senator HATFIELD. In looking into that matter, I understand that you have explained that this particular reduction is caused by congressional action on your appropriations bill.

Mr. MCGUIRE. That is correct.

Senator HATFIELD. Your item in the 1976 budget described as "sales administration" was decreased by \$1 million.

Mr. MCGUIRE. That is correct.

Senator HATFIELD. I am also aware of the fact that the sales administration covers the supervision of timber already sold under contract, I believe.

Mr. MCGUIRE. That is correct.

Senator HATFIELD. Now, if the Congress was responsible for this reduction in the fiscal 1976 program, it is obvious to me that the reduction would probably have been labeled "sales preparation," wouldn't it?

Mr. MCGUIRE. The figures I have, Senator, show about \$54 million for sales preparation in 1976, and about \$49 million in 1977. For administration of sales the comparison is a little over \$31 million in 1976 versus \$33 million in 1977. From these figures, we do anticipate somewhat more activity in harvesting of the timber that is under contract.

Senator HATFIELD. Then actually it was not due to sales administration solely. You are extrapolating there a higher figure on the matter of sales preparation, isn't that correct?

Mr. MCGUIRE. This is somewhat complicated because of the pay act costs that are in there. The overall figure for both items, sales administration and preparation, in 1976 was \$101.6 million. In the budget for 1977 it is \$101.3 million. The difference is an increase for Pay Act costs of about \$4 million, and a decrease in the program of about \$4.5 million, just about offsetting the pay act costs. So we have some latitude here to shift between preparation and administration. The program level will be about \$4.5 million less.

Senator HATFIELD. Then it would have been more accurate to have made the judgment that this was due to both a low budget request

for sales preparation and the congressional reduction in sales administration, rather than laying all the blame on the sales administration reduction, wouldn't it?

Mr. MCGUIRE. Perhaps so. It is judgment as to where we are estimating what activity is likely to occur some time from now.

Senator HATFIELD. You put the onus completely on Congress when actually it was a shared responsibility, as I understand your language today.

Mr. MCGUIRE. We did not have that in mind, to put the onus on Congress. We were looking for a place to show in the budget what we could anticipate with this lower level of funding.

#### LAND CLASSIFICATION

Senator HATFIELD. As you know, land classification has been important in our region 6. I wonder if you could supply for the record the acreage the Forest Service has removed from commercial forest lands from each of the six Western forests, especially in the Gifford Pinchot National Forest, for each of the last 5 years. Could you do that for the record?

Mr. MCGUIRE. We will provide that for the record.

Senator HATFIELD. Could you also indicate the purpose to which the newly reclassified lands have been dedicated?

Mr. MCGUIRE. I am not sure I understood that, sir.

Senator HATFIELD. Some of commercial forests have been reclassified so that acreage would be used for some other purpose.

Mr. MCGUIRE. We could show such changes forest-by-forest.

Senator HATFIELD. Yes, and for what purposes the formerly commercial forests will now be used.

Mr. MCGUIRE. We will show what the new classification is.

Senator HATFIELD. Would you also add to that the projected reclassification down the road a year or 2 or 3, perhaps forest-by-forest, any further reclassification that you contemplate at this time?

Mr. MCGUIRE. That would be rather difficult to do, Senator Hatfield. It depends on the progress of our land use plan. We can make some estimates, I expect, on the basis of past trends, but I don't know how precise it will be because we need to look at each unit of land as we proceed through land use planning and through the public involvement process.

Senator HATFIELD. You reclassified some last year, did you not?

Mr. MCGUIRE. We are continually reclassifying.

Senator HATFIELD. So you obviously are planning some further reclassification.

Mr. MCGUIRE. Yes, indeed.

Senator HATFIELD. That is what I want to know, what your planning is. Also, if you have had reclassification, forest-by-forest, into commercial forests. In other words, both directions, those out of commercial and back in commercial.

Mr. MCGUIRE. We will be happy to provide that for the record.

Senator HATFIELD. That would be very helpful.

[The information follows:]

Land Classification

Forest Service records do not show land classification changes on a yearly basis, nor are they detailed enough to precisely trace the movement of specific acreages out of, or into, the commercial forest land classification. However, the following information does show the land classification for the six Western Oregon National Forests as it existed in 1970 and in 1975. The net changes in each classification represent the trend during the 5-year period.

The land use planning effort currently underway on the National Forests has led to numerous changes in classification during the past 5 years. This will continue to be the case in the immediate future. Public use of units of National Forest land is determined by thorough inventories of conditions and resources and through a decision-making process with public involvement through the NEPA process.

Acres of land removed from "commercial forest land" and placed in another classification can be seen by comparing the 1970 acreage with the 1975 acreage. The definitions below indicate classifications containing wilderness, or wilderness study areas.

Definition of Land Classifications

Land is classified as forest and nonforest.

- (1) Forest land,--Land at least 10 percent occupied; stocked by forest trees of any size, or formerly having had such tree cover, and not currently developed for nonforest use.

Forest land is further classified as productive or unproductive:

Productive forest land,--Forest land which is producing or capable of producing crops of industrial wood. This includes areas suitable for management to grow crops of industrial wood generally of a site quality capable of producing in excess of 20 cubic feet per acre of annual growth. This includes both accessible and inaccessible areas. Permanently inoperable or nonstockable areas are excluded because they are not suitable for silvicultural management. Conversely, nonstocked areas which are stockable and otherwise meet this definition are included. Productive forest land is divided into several further classifications including reserved, deferred, and commercial forest.

Reserved forest land,--Productive forest lands withdrawn from timber utilization by statute, administrative regulation (Federal Code of Regulations), or by designation in land use plans approved by the regional forester. Productive forest lands in wilderness are within this classification.

Deferred forest land,--Productive forest lands that have been administratively identified for study as possible additions to the Wilderness System or other withdrawal from timber utilization under authority granted in the Federal Code of Regulations. Productive forest lands in Wilderness study areas are within this classification. These are areas in which a final decision has not been made as to management purpose, but in which road building and other activities would reduce the options for later choice.

Commercial forest land,--Forest land which is producing or is capable of producing crops of industrial wood and has not been reserved or

deferred. This includes areas suitable for management to grow crops of industrial wood generally of a site quality capable of producing in excess of 20 cubic feet per acre of annual growth. This includes both accessible and inaccessible areas. Permanently inoperable or nonstockable areas are excluded because they are not suitable for silvicultural management. Conversely, nonstocked areas which are stockable and otherwise meet this definition are included.

Unproductive forest land.--All forest land not included in the productive forest land classification. Land not capable of producing 20 cubic feet per acre of annual growth.

- (2) Nonforest land.--Land that has never supported forests and lands formerly forested where use for timber utilization is precluded by development for other uses.

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Acres of National Forest Land

	<u>1970</u>	<u>1975</u>	<u>Change</u>
<u>Rogue River National Forest</u>			
<u>Productive forest land:</u>			
Commercial forest land .....	547,013	497,100	-49,913
Deferred forest land .....	-	59,754	+59,754
Reserved forest land .....	49,523	4,624	-44,899
<u>Unproductive forest land</u>			
and nonforest land .....	34,915	75,247	+40,332
Total .....	<u>631,451</u>	<u>636,725</u>	<u>+5,274</u>
<u>Mount Hood National Forest</u>			
<u>Productive forest land:</u>			
Commercial forest land .....	1,038,798	824,204	-214,594
Deferred forest land .....	-	52,850	+52,850
Reserved forest land .....	17,680	6,415	-11,265
<u>Unproductive forest land</u>			
and nonforest land .....	58,849	175,883	+117,034
Total .....	<u>1,115,327</u>	<u>1,059,352</u>	<u>-55,975</u>
McQuinn Strip-BIA .....	-	55,977	+55,977
	<u>1,115,327</u>	<u>1,115,329</u>	<u>+2</u>
<u>Umpqua National Forest</u>			
<u>Productive forest land:</u>			
Commercial forest land .....	874,569	869,159	-5,410
Deferred forest land .....	-	1,800	+1,800
Reserved forest land .....	-	83	+83
<u>Unproductive forest land</u>			
and nonforest land .....	100,773	104,383	+3,610
Total .....	<u>975,342</u>	<u>975,425</u>	<u>+83</u>

Acres of National Forest Land (continued)

	<u>1970</u>	<u>1975</u>	<u>Change</u>
<u>Siskiyou National Forest</u>			
<u>Productive forest land:</u>			
Commercial forest land .....	745,735	758,451	+12,716
Deferred forest land .....	-	9,322	+9,322
Reserved forest land .....	80,177	80,177	-
<u>Unproductive forest land</u>			
<u>and nonforest land</u> .....	<u>261,007</u>	<u>238,969</u>	<u>-22,038</u>
Total .....	<u>1,086,919</u>	<u>1,086,919</u>	<u>-</u>
<u>Willamette National Forest</u>			
<u>Productive forest land:</u>			
Commercial forest land .....	1,300,375	1,224,615	-75,760
Deferred forest land .....	-	9,360	+9,360
Reserved forest land .....	270,386	256,927	-13,459
<u>Unproductive forest land</u>			
<u>and nonforest land</u> .....	<u>95,715</u>	<u>176,919</u>	<u>+81,204</u>
Total .....	<u>1,666,476</u>	<u>1,667,821</u>	<u>+1,345</u>
<u>Siuslaw National Forest</u>			
<u>Productive forest land:</u>			
Commercial forest land .....	593,656	579,730	-13,926
Deferred forest land .....	-	6,100	+6,100
Reserved forest land .....	686	717	+31
<u>Unproductive forest land</u>			
<u>and nonforest land</u> .....	<u>24,420</u>	<u>37,381</u>	<u>+12,961</u>
Total .....	<u>618,762</u>	<u>623,928</u>	<u>+5,166</u>
Summary of change for six National Forests:			
<u>Productive forest land:</u>			
Commercial forest land .....	-346,887		
Deferred forest land .....	+139,186		
Reserved forest land .....	-69,509		
<u>Unproductive forest land</u>			
<u>and nonforest land</u> .....	<u>+233,103</u>		
Total National Forest land .....	<u>-44,107</u>		

Any attempt to project reclassification would be highly speculative as changes would come through the land use planning efforts underway on each National Forest. Changes are subject to the public input process and the environmental impact statement process. Based on past trends, we would expect some further reclassification but the magnitude is not known. However, in the next 2 to 3 years we would not expect significant changes from commercial forest land to deferred, as most of the study areas have already been designated. It would also be reasonable to expect other changes from commercial forest to mitigate somewhat. As the study areas now classified as deferred are processed, this category will decrease and the other categories increase.

## SAWMILL IMPROVEMENT PROGRAM

Senator HATFIELD. You are requesting a \$750,000 increase in your sawmill improvement program. How much more than this could you use efficiently and effectively?

Mr. THORNTON. A total increase of \$1,450,000 was initially proposed and this would have enabled us to complete the analysis of current operations and follow up technical assistance within a shorter period of time.

Senator HATFIELD. What was the request to the Department and to OMB for this item?

Mr. THORNTON. A proposal of \$1,900,000 was sent to the Department and \$1,200,000 to OMB.

## COOPERATIVE LAW ENFORCEMENT

Senator HATFIELD. You are requesting a 35-percent increase in the cooperative law enforcement program. How will these funds be used?

Mr. MCGUIRE. The increase will permit us to modify some of the existing 420 agreements and enter into approximately 45 additional cooperative agreements to reimburse State agencies for State law enforcement on national forests. Approximately \$1,314,000 of the increase will be used for this purpose and \$61,000 to cover Pay Act costs.

Senator HATFIELD. I note that despite the increase, Oregon will receive less for this program in fiscal year 1977 than in fiscal year 1976. What are the criteria for your allocations to the States for cooperative law enforcement?

Mr. MCGUIRE. The table showing the program level of cooperative law enforcement funds by States was the best estimate at the time it was prepared. Better information since that time has resulted in adjustments to meet program needs, particularly to balance the fiscal year 1976 transition quarter program. In Oregon, after this adjustment was made, the fiscal year 1976 allocation totaled \$374,000. This is compared to the fiscal year 1977 allocation of \$425,000, for an actual increase of \$51,000.

Criteria for allocations to State law enforcement agencies are based on the additional services requested by the Forest Service. Highest priority is given to places where the impact is greatest. Reimbursements are limited to requested services on national forest lands which are above and beyond the services the local law enforcement agency is normally able, and expected, to provide.

## ROAD CONSTRUCTION

Senator HATFIELD. Does the policy of having purchaser constructed roads save money in the long run?

Mr. MCGUIRE. In the final analysis, it is less costly to construct maximum-economy roads initially rather than constructing lower standard roads and, at some later date, reconstructing it to a higher standard.

Under the purchaser credit concept, by law, the road standard, within certain environmental constraints, cannot exceed the standard required to meet the needs of a particular timber sale. Usually this standard is lower than the standard required for maximum economy.

However, due to a lack of funds, we have been unable to supplement purchaser credit to elevate the standard of timber access roads to maximum economy standards. In the long run, roads constructed purely from purchaser credits are more costly to the Government because they will usually be reconstructed to a higher standard at a later date.

Senator HATFIELD. What impact does this policy have on small timber operators—on county revenues?

Mr. MCGUIRE. The impact to small purchasers varies depending on such things as geographical location, sale size, complexity of road construction, estimated cost of road construction, and so on. Generally speaking, small operators are adversely affected when sales include large and complex road construction simply because they do not have the working capital, equipment, resources, or whatever to do this type of work.

The impact to the county from a short-term aspect is a reduction in county returns in the amount of 25 percent of the road costs.

However, from the long-range standpoint, the short-term loss will be offset by the increased value of the timber within the area being served by the road, but not included, in the sale under which the road was built.

Looking at the effect on county receipts from another standpoint—if the road is not built, timber harvesting will not occur and receipts to the county will be nil.

Senator HATFIELD. There seems to be even greater emphasis on this type of road financing this year. Why?

Mr. MCGUIRE. Actually, emphasis on purchaser construction began around 1967 or 1968 as a means of reducing Federal cash outlays and it has been increasing each year since then. The reason it appears to be emphasized this year is because for the first time, under Public Law 93-378, it is necessary for us to obtain budget authority from the Congress for the value of permanent roads constructed by timber purchasers.

Senator HATFIELD. If funds were available could you construct more roads from appropriated funds rather than purchaser credit?

Mr. MCGUIRE. Yes; we could. Similar engineering and contracting requirements exist for construction of roads, and for surveys and designs for those roads, regardless of method of funding construction.

Increased capital investment in fiscal year 1977 would not significantly reduce use of purchaser credit during the same year. A road built from appropriated funds must be completed before a timber sale can be sold for removal over that road. Construction projects generally require from 1 to 2 years for completion.

Roads built by purchaser credit are built after the timber is sold and the timber sale contract executed. Roads built by purchaser credit in fiscal year 1977 will be required by timber sales that were sold as long as 3 years ago, and the timing is influenced by the purchaser's work schedule and his need for operating that particular timber sale.

Senator HATFIELD. Is there authorization to do this and what level of funding could you use in fiscal year 1977 for road construction?

Mr. MCGUIRE. We have unused contract authority which could be made available if approved. If we were given this approval, the amount we could use effectively in fiscal year 1977 would be limited.

Some projects could be constructed from plans on the shelf. Our best estimate, based on bridge replacement needs and current project work inventories, would be that we could use \$40 million.

#### FORESTRY EXTENSION PROGRAM

Senator HATFIELD. It has been suggested that the Extension Service establish a forestry extension program under section 3(d) of the Smith-Lever Act to assure a greater role in forestry production and utilization technology transfer through education. Late last year, the Extension Committee on Organization and Policy prepared a report on this proposal with participation by the Forest Service.

Please describe the relationship between the assistance provided through the Forest Service—S&PF—and extension forestry assistance through the Extension Service.

Mr. THORNTON. The Extension Service has had a forestry extension program in most States for many years. The proposal recently developed by the Extension Committee on Organization and Policy, in which we participated, is designed to greatly strengthen this effort. The Extension Service works cooperatively with State extension services. Through education and demonstration, they motivate landowners, forest products operators, and State and community leaders, in obtaining maximum benefits from forest resources.

The Forest Service cooperates with State forestry agencies. They provide direct and individual assistance to landowners, loggers, processors, and State and community leaders in the protection, management, and development of forest resources.

Senator HATFIELD. Does the Forest Service endorse the recommendations of the ECOP report, especially with respect to the greater forestry education programing to complement your activities? If not, please elaborate on your reservations.

Mr. THORNTON. Yes; the increased forestry education is needed to complement our activities.

#### INTENSIVE FORESTRY MANAGEMENT

Senator HATFIELD. I understand that you have considered a program for intensive forestry management research which would provide information on growth and yield, accelerated genetics, and tree improvement. Could you describe the program and advise the subcommittee what level of funding is needed?

Mr. BUCKMAN. The Resources Planning Act—RPA—recommended program contains a program of intensive forestry management of softwood species. The research would concentrate on techniques to accelerate the growth of fast-growing species such as douglas fir and southern pines by speeding up research on cultural practices, including thinning and fertilization, tree breeding, brush control and growth and yield information for managing existing and future stands of trees. The intensive forestry research in the RPA program requires additional funding of \$1,900,000.

#### ANADROMOUS FISH HABITAT

Senator HATFIELD. It is my understanding that you have planned a program to study the effects of forestry practices on anadromous

fish habitat. Would you explain the objectives of this research project and tell the subcommittee the amount of funding which will be necessary?

Mr. BUCKMAN. Anadromous fish, which includes several species of salmon and trout, are the basis for substantial fishing industry in Alaska and the Northwestern United States. Important recreational and subsistence fishing is also involved. These fish of the Pacific slope spawn in streams arising from forest and rangelands, often many hundred miles inland. Several species spend up to a year in these streams before returning to saltwater. It is widely assumed that forest and range practices can affect the quality of these streams through siltation, stream bank disturbance, and changes in water temperature. However, very little is actually known about these effects or how to mitigate them. The planned research will determine the effects of forest and range practices and will provide a scientific basis for decisions on how to maintain or enhance anadromous fish spawning habitat, thus, helping to resolve major land use conflicts in the West. Our RPA plans envision an accelerated program of research in anadromous fish of \$810,000.

#### PROJECT STRETCH

Senator HATFIELD. Have funds been provided for timber utilization research? Specifically, how successful has the STRETCH program at the Forest Products Laboratory been in increasing wood utilization and what additional funding is necessary to continue the program?

Mr. BUCKMAN. Funding for the STRETCH program was increased by \$681,000 in fiscal year 1976. That increase is continued in the budget request for fiscal year 1977. Two examples of the innovative technology coming out of the STRETCH program are the best opening face principle of sawing logs and Press-Lam.

The best opening face procedure provides for the automatic selection of the best placement of the first cut in a sawlog. A computer is used to control the process. In sawmills where the best opening face procedure has been fully implemented, increases in lumber yields are in excess of 15 percent above the conventional systems.

Press-Lam is a system for producing lumber-type products from thick knife-cut sheets. These products have improved uniformity in structural performance.

Other technology, such as an automated system to detect defects such as knots in lumber and logs, and procedures to utilize small diameter logs for lumber, are under intense study. We believe the STRETCH program is meeting its objectives and can continue its momentum with current funding.

#### CASCADE HEAD SCENIC RESEARCH AREA

Senator HATFIELD. How is management of the Cascade Head area progressing? What funds are now available for land acquisition and other purposes, and is there a need for increased funding?

Mr. MCGUIRE. There have been several steps taken toward bringing the Cascade Head Scenic Research Area under management as directed by the establishing act. We have completed the formulation of the criteria by which we determine whether a change in use or

management of private lands is compatible. The management plan draft has been completed, and the draft environmental statement on the plan submitted to the Council on Environmental Quality.

The draft management plan calls for minimal development in the initial years. We do not believe that any special consideration for development funds needs to be given in the pending budget.

The fiscal year 1976 appropriation included \$100,000 for acquisition in the Cascade Head area within the Siuslaw National Forest in Oregon. The fiscal year 1977 budget request includes \$536,000 for land acquisition in the area under the land and water conservation fund. Based on current offers to sell and proposals by landowners to substantially change the use of their lands, an additional \$1,200,000 could be advantageously used in fiscal year 1977.

#### OREGON DUNES NATIONAL RECREATION AREA

Senator HATFIELD. Can additional funding be utilized for Oregon Dunes and for what specific purposes?

Mr. MCGUIRE. Public Law 92-260 establishing the Oregon Dunes National Recreation Area included an appropriation authorization of \$2.5 million for land acquisition. There remains \$515,000 of this authorization, including the \$400,000 requested in the fiscal year 1977 budget. We estimate that an additional \$3,250,000 appropriation authorization will be required in order to complete the acquisition of private land and/or interests in land needed for management of the national recreation area.

#### LILY LAKE AREA

Senator HATFIELD. How does Lily Lake fit into your present land acquisition priorities? To what extent are funds available from the land and water conservation fund? What action and level of funding is needed this year to protect this area?

Mr. MCGUIRE. The Lily Lake area is located within the Siuslaw National Forest in Oregon. The current 5-year land acquisition plan for the national forests in Oregon includes purchase of approximately 425 acres within the area. Priority for acquiring the land would fall within the first \$25 million nationwide for purchases in areas other than those specifically authorized by acts of Congress. Areas specifically authorized by the Congress, such as national recreation areas and wild and scenic rivers, have top priority.

Land and Water Conservation Fund Act moneys appropriated through the fiscal year 1976 do not include an amount for acquisition within the Lily Lake area; nor has any amount been included in the 1977 budget request. Based on current market data available, it is estimated that purchase of the 425 acres will approximate a total cost of \$1,150,000.

#### WESTERN INSECT AND DISEASE ISSUES STUDY

Senator HATFIELD. I believe the Western States program was examined in the "Western Insect and Disease Issues Study." Could you provide me with a copy of the latest draft of that study?

Mr. MCGUIRE. We will do that, sir.

Senator HATFIELD. How does the program for this area fit into your overall plans for salvage and what priority have you given this particular area?

Mr. MCGUIRE. The Forest Service attempts to recover or harvest the largest portion of recent mortality volume that is possible in the current program within the various constraints which limit the program. Some of these constraints are lack of access, limited funding and trained manpower, lack of market for the material, and lack of local industry to handle the material. It is often necessary to make a major change in planned sale programs to quickly harvest timber killed in a major fire or during an insect or disease epidemic, such as the recent Douglas-fir tussock moth infestation in Washington and Oregon. Harvest of recent mortality is given high priority. The harvest of past mortality presents different constraints, mainly because most of the material is usable only for fiber products.

Senator HATFIELD. To what extent have you considered market opportunities for the salvaged timber in this area and in other areas under study?

Mr. MCGUIRE. There are five areas of mountain pine beetle infestation in addition to northeast Oregon where mortality removal programs could be started during fiscal year 1977 and where the majority of the material is of a type that could be utilized by the sawtimber industry. The major need to begin harvesting these areas is for road construction funds; \$7.3 million is needed. The other need is for \$5.2 million for sale preparation, silvicultural examination, and other support activities. Approximately 315 million board feet could be prepared and offered for sale in fiscal year 1977 from these areas with the additional funding. The industry has indicated they can utilize all of the raw material that can be used for solid wood products. A portion of the material within these areas is usable only for fiber—chip—products. Indications are that the demand for the material is on the rise.

#### DECISIONS ON CLEARCUTTING

Senator STEVENS. While Senator Hatfield is here, since we are both involved, we are exploring the problem of trying to meet the *Monongahela* decision and the decision in Alaska on clearcutting. There are several bills up here, the Humphrey bill, the Randolph bill, my bill on moratoriums. Has the Department or the Forest Service taken any position on those bills?

Secretary LONG. Mr. Chairman, the agency and the Department, at this point in time, are in favor of the bill by Senator Humphrey and the House bill by Congressman Johnson. Of course, we are hopeful that they will proceed at a fast pace.

We are concerned, with you, on the effect of the various court decisions and the further implications in terms of the ability to manage the forests even in the year we are in. There is a sense of urgency on our part.

#### PUBLIC INVOLVEMENT

Senator STEVENS. I know I am concerned with the problem that apparently no matter what we do, we are getting court delays. I

have just come back from meetings in Juneau with representatives of various organizations there, particularly with the Sierra Club and the Southeastern Conservation Society. They indicate they have not had an opportunity to provide input in these plans before they are announced.

Do you have any program now to have public involvement before the environmental impact statement procedures?

Secretary LONG. I will ask the Chief to respond to that.

Mr. MCGUIRE. Yes; we do, Mr. Chairman. We try to bring the public in before we announce that we are going to make the plan. We tell the public tentatively what we are thinking about. We frequently have public meetings and workshops. When the draft plan and the draft statement are filed, we again invite comments from the public and from the State and local governments.

If there is such criticism in Alaska, we would like to look into it and correct it if there is any shortcoming at all.

#### EFFECTS OF COURT DECISIONS

Senator STEVENS. I think Senator Hatfield had some criticism in Alaska, from my staff reports, when he was in this hearing with the Agriculture Committee.

As I view this, we are in the same position now as we were in the Alaska pipeline issue. In that case the court reviewed the environmental impact statement, and did not upset it, but found that the old right-of-way law was insufficient.

As a consequence, it took—I think the delay was 4½ years. It took about 2 years after that for Congress to act.

If you are in a similar position, you have the Organic Act that the court has found in the *Alaska* case is insufficient to allow you to conduct procedures or do your management in a manner in which you plan to do it. But the court in the *Alaska* case did not disturb the environmental impact statement, as I understand. They found that the statement was correct.

The difficulty we have is the same as in the *Alaska Pipeline* case as far as I am concerned. The people who sought to upset the environmental impact statement have sufficient support in Congress so that we are not going to get the correction of the Organic Act unless they make substantial moves toward meeting their objections.

Have you devised a plan yet to meet those objections?

Mr. MCGUIRE. As Secretary Long said, Mr. Chairman, we think the Humphrey bill goes about as far as we can reasonably go. We did talk to all parties several months ago trying to seek a consensus on the idea of temporary legislation which would allow Congress time to go into the matter in more detail.

The plaintiffs in the *Monongahela* case were unwilling to go along with that procedure. My feeling now is we should attempt to find a permanent remedy. If we can't get that done, we need to look at some other possibilities. I would hesitate to recommend abandoning the attempt in the first place.

Senator STEVENS. How long can the cutting continue in the Southeast in the Tongass Forest under this present injunction?

Mr. McGUIRE. We are still looking at the order. We have under consideration a matter of appeal. I think we will know before May 15 whether there is a possibility of a permanent solution here in Congress.

I agree with you, there is great risk of further judicial obstacles to the current program all over the country.

#### INTERPRETATION OF "MONONGAHELA" DECISION

Senator STEVENS. If I understand the order correctly, and my colleague may be able to enlighten me on this, but if I understand the order correctly, there can be no clearcutting now in Alaska, and there can be only cutting of those trees which are marked in compliance with the Organic Act. Do you agree with that?

Mr. McGUIRE. Mr. Chairman, I do not agree. I think they have misinterpreted both the *Monongahela* and the *Zieske* decisions. They are not anti-clearcutting decisions.

In Alaska much of the timber is old or mature. The problem is getting time to mark all the trees to be cut. In most stands up there, I suspect we could go right ahead and cut the older, mature trees as long as we mark them.

Senator STEVENS. I do not disagree with that, but you cannot clearcut unless you legitimately mark all those in the area as being in the classifications under the Organic Act.

Mr. McGUIRE. That is correct.

Senator STEVENS. That would be an insuperable obstacle for this year, but not—

Mr. McGUIRE. I don't recall the Alaska figures, but nationwide in the first year there will probably be a 75-percent reduction of the program simply because we would not have time to do the job, even if we had the money. I expect the same kind of thing would result there.

It may be that if we could interpret this order to apply only to the area designated by the court in the north of Prince of Wales Island, we would have some latitude to proceed elsewhere as we have been doing.

#### CONSIDERATION OF APPEAL

Senator STEVENS. When will you make an appeal?

Mr. McGUIRE. Mr. Chairman, may I ask a representative of the Office of General Counsel in the Department of Agriculture, Mr. Fowler, to answer that question?

Senator STEVENS. When will the decision be made as to whether you are going to take appeal on the existing case? I understand the *Monongahela* decision has already gone to the court of appeals.

Mr. FOWLER. Yes, sir. The *Zieske* case is presently in the last 30 days, as I recall, before the present decision is made whether to appeal. That is now being considered by the Department of Justice.

Senator STEVENS. Very well. Thank you very much. I am sure we are all working on the same problem, trying to get to the same solution.

Senator HATFIELD. We have had 2 days of hearings, as the Senator knows, on this. Would you care to comment? I was very interested

in one of the witnesses who indicated he thought this was an autonomous action. He felt very strongly that the case could be won on appeal.

I understand the reasons approached were that the subsequent acts were granting authority rather than restricting authority intended by the Congress. Do you have any comments to make on that front?

Mr. MCGUIRE. Senator, I have read the amicus brief which makes that point. While litigation could proceed along that line, I think at the same time it is necessary to proceed with legislative solutions. I think we need to go down both paths and not stop the effort to achieve a legislative remedy and hope the courts will bail us out.

Senator HATFIELD. For the record, the *Alaska* case is distinguished from the *Monongahela* in that the *Monongahela* case did not include current sales in process as did the *Alaska* decision, and that was the reason leading to Senator Stevens' introduction of a moratorium on that.

Mr. MCGUIRE. That is correct.

#### REFORESTATION

Senator HATFIELD. If the Senator will indulge just one last question, I will remove myself.

You know, we have been fighting this battle with Senator Stevens' and others help to get reforestation in the national forests up to a 10-year schedule. I was delighted to see that this year for the first time the Department's request prevailed and went through the OMB at the \$63 million level. That includes timber stand improvement as well as reforestation.

I note that reforestation is down. The projection is down from \$34 million down to \$32 million for fiscal 1977. What does this do in terms of your 10-year schedule? Does this reduce the possibility of maintaining it? And second, will you comment on how it relates to your nursery stock and growing stock, which you have to project in order to attain a certain level of reforestation? Do you have sufficient moneys in for that program, and do you feel that the reduction from \$34 to \$32 million is going to keep you on your 10-year schedule?

Mr. MCGUIRE. Senator Hatfield, I am happy to report that we are somewhat ahead of the schedule submitted to this committee last year. In terms of acreage, we are right on schedule for 1977; costs are down a little because we were able to do some site preparation work last year and during 1976. We also have been doing some site preparation with the help of unemployment relief programs. The latter programs have pulled down our nursery stock somewhat, but we are on course with nursery expansion. We anticipate no problems.

#### NURSERY STOCK

Senator HATFIELD. You are what?

Mr. MCGUIRE. We are on course with nursery expansion.

Senator HATFIELD. On course? But on schedule?

Mr. MCGUIRE. On schedule as well, sir.

Senator HATFIELD. You do not anticipate a shortage? You remember a year ago when we had that conversation of adding \$5 million

because we did not have the stock. We are not going to get into that kind of a crunch, are we?

Mr. MCGUIRE. No; we are not. We are more concerned with building too much nursery capacity, completing the program, and being left with a capital plant larger than what we need. Our main problem right now is to adjust our nursery capacity to meet the 10-year targets which we laid out to you last year.

Senator HATFIELD. When you say you are ahead of your schedule at this point, what do you mean by that?

Mr. MCGUIRE. Let me give you some figures, or Mr. Nelson can do it.

Mr. NELSON. During fiscal years 1975, 1976, and 1977, we had programed 637,000 acres to be taken out of backlog and in the average annual additions on reforestation. During that period of time we had reduced the backlog, or projected reduction of 724,000 acres. So we are ahead of that schedule, sir.

Mr. MCGUIRE. That includes fiscal year 1977.

Senator HATFIELD. About 87,000 acres ahead?

Mr. NELSON. That is right.

Senator HATFIELD. Explain the reduction of \$2 million in your reforestation between 1976 and 1977. How will that affect that? Are you letting that 87,000 be the slack here?

Mr. NELSON. No, sir. We will have approximately 200,000 acres planted in fiscal year 1977 under our P&M funding. This is included in the figure of 724,000 that I gave you. We are able to carry on through 1977, we think, with the funding that we have requested and keep up on our program.

Senator HATFIELD. With inflation and rising costs of materials, you can do the same job that you did in 1976 with \$2 million less in 1977? Is that what you are saying?

Mr. NELSON. I am saying that we can. Part of the reason for this, Senator, is that we have been able to use the title X funds appropriated to the Department of Commerce for Economic Development Administration, the use of unemployed people in our planting programs.

Senator HATFIELD. You are projecting the same circumstances into 1977?

Mr. NELSON. This has been done. The programs I am talking to you about have been done under CETA, title X.

#### CHAMPION SALE

Senator STEVENS. What are you going to do with the Champion sale?

Mr. MCGUIRE. Mr. Chairman, we have not decided. As you know, we have a proposal from Champion that both parties mutually withdraw from the contract. Of course, we will have to look at the pros and cons of that to make sure the public interest is protected before we go ahead.

We do agree that the situation has changed a great deal since the sale was first offered in 1968. The world market has changed, costs of producing pulp in the world market have changed, and so on.

Senator STEVENS. I am hopeful that you will give the Alaska delegation notice before you make a final decision on that.

As I understand it, the Alaska group is trying to see what might be done to make a request to you to take that sale over along with the lands they have. It might be a very imaginative unit. I would hope you would not take precipitous action which would foreclose on that corporation from making its proper presentation if it desires to do so.

Mr. MCGUIRE. We have a written expression of interest from the Sealaska Corp., Mr. Chairman. When we have determined what we can do in regard to Champion's request, we will be interested in looking at alternatives for the sale. We will let the delegation know of our progress. We will seek your advice on further discussions with all concerned.

#### TONGASS COMMERCIAL FOREST

Senator STEVENS. Thank you.

Could you tell me, how much is the Tongass commercial harvest? I think it is 22 million acres in the Tongass, isn't it?

Mr. NELSON. I believe it is 16 million acres in the total Tongass. I do not have the statement here, but we will be glad to furnish that for the record.

[The information follows:]

There are 4,433,800 acres of commercial forest land on the Tongass National Forest, of which 2,812,200 acres are in the standard component. The standard component is the portion of the regulated commercial forest land area on which crops of industrial wood can be grown and harvested with adequate protection of the forest resources under usual provisions of the timber sale contract.

#### TONGASS CLASSIFICATION

Senator STEVENS. It seems that the request for classification for wilderness and other requests are primarily in the area that has been designated for commercial harvest.

I think that perhaps what we ought to do is consider taking an area that is not commercially harvestable out of the forest. If it is not to be considered de facto wilderness by those people who seek wilderness, perhaps we should make it available to the people of southeastern Alaska for other purposes. I think it might focus the attention of some people on what they have instead of what they are seeking. I would urge you to give us the figures for the record so that we can check into this.

Do not misunderstand me, I do not disagree with some of the objectives as far as the wilderness proposals. I think some of them have good bases. But I do think that there has to be some balance.

Mr. Secretary, I think we ought to let you proceed with your statement, since I am sure you have other things to do, too.

#### REFORESTATION BACKLOG

Senator HATFIELD. I have just one other question. Your report indicates you will be eliminating the backlog of reforested land in the year 2000. Does this include private as well as public?

Mr. MCGUIRE. No, sir. The direction in the Resources Planning Act was to eliminate all backlog on the national forests by the year 2000. However, the plan is still to eliminate the reforestation backlog by the year 1984.

Senator HATFIELD. Yes.

Mr. MCGUIRE. And we have planned to do that.

Senator HATFIELD. But with that distinction or clarification, we have been talking budget-wise about the backlog being eliminated in 10 years, and then the RPA indicates backlog by the year 2000 which is a little different.

Mr. MCGUIRE. That is talking about backlogs in general. We have other backlogs. The plan tries to lay out what we will do about other backlog problems.

Senator HATFIELD. You are assuring me and Senator Stevens today that we have sufficient funding in here for nursery stock and growing stock down the road to stay on course.

Mr. MCGUIRE. That is what we are doing.

Senator HATFIELD. Thank you.

Senator STEVENS. Thank you, Mr. Secretary. We will now commence the hearing.

#### STATEMENT OF ROBERT W. LONG

Secretary LONG. I have had the impression, Mr. Chairman, we have been in session here for a bit.

If I may, I do have a written statement. It is short. But I think your time and all of ours will be better served if I just add a comment or two and submit the statement for the record.

[The statement follows:]

#### STATEMENT OF ROBERT W. LONG, ASSISTANT SECRETARY, U.S. DEPARTMENT OF AGRICULTURE

Mr. Chairman and members of the committee, we are pleased to have the opportunity to appear and discuss with you the 1977 budget as well as the long-range Forest Service program.

The 1977 budget is a unique budget. It reflects the Department's first attempt to meet the requirements for long-range planning under the Forest and Rangeland Renewable Resources Planning Act. A significant portion of the funds in the 1977 budget for the Forest Service are investments that have direct bearing on our ability to maintain or increase outputs in future years.

The Resources Planning Act assessment and program which are required by the Act were forwarded to the Congress on March 2. Chief McGuire will provide more information on the plan and the 1977 budget, but I want to highlight some of the opportunities and the direction which we, in Agriculture, think we should be taking.

The assessment presents opportunities for action which will insure meeting the natural resource requirements of the future. Our judgment is that we should take steps now toward the improved management and conservation of these resources, so that a crisis similar to that we face in energy is not repeated with renewable resources. We are making a responsive move in that direction in 1977. The 1977 budget does provide for increases in recreation, wildlife, rangeland, soil and water, and minerals management on the national forests. An increase is also requested to strengthen efforts to provide the data and information base needed for the next renewable resource assessment in 1979.

In the State and private cooperative programs the budget provides for a reduction in Federal cost-sharing for the cooperative fire control program. This is the first step in phasing out that portion of the cooperative fire program which provides Federal funding to the States to assist in the cost of fire control. The Federal share of this program is not very large in comparison to the total amount spent by State governments for cooperative fire protection and we anticipate that States will be able to meet the need. The technical assistance activity will continue.

The timber utilization and harvesting, the sawmill improvement, and the multiple use technical assistance activities are being increased. Working with the State forestry organizations, these programs are geared to assist small landowners and sawmill operators to improve their practices and thus increase supply.

Chief McGuire is prepared to provide additional information on the 1977 budget and we both will be available to discuss with you any questions which you have.

#### GENERAL COMMENTS

Secretary LONG. It essentially speaks to the fact that we are more than pleased, shall I say, to have a Resources Planning Act available to link the program efforts to the long-term needs of the forest system.

Under this mantle, which was started here in the Senate, and of course, matured in the past year and a half, we look to the future as a much brighter one in terms of better planning, more thoroughly organized, more complete effort to maintain a national forestry effort at the levels that the public trust and agencies of the Department feel should be maintained. We feel we are on the right course, and this is the vehicle that will help us to get there. Chief McGuire has additional comments on the program as it relates to the assessment.

I think I will conclude at that point. We do feel that this is a significant step forward in resource management. We are very pleased to have the opportunity to work within the mantle that this is providing.

#### SUBMISSION OF RPA REPORT

Senator STEVENS. Before we get to the Chief, I appreciate your comments. We had to delay these hearings because of the submission of that report which was due by December 31. Could you tell the committee why there was so much delay?

Secretary LONG. Yes. This being a new venture, in the sense of an approach to management through planning assessment, analysis and the like, there were several concerned groups within the executive branch that needed to review our proposal. They have a direct bearing on budget, not only in the year that we are considering, but in future years.

I think frankly the delay came from the time it required for others to assess the impact of this program within the executive branch. We had submitted our policy statement and our proposals on time.

I suppose I could be critical of others. It took longer than we would have liked to get it to the Congress. However, it was delivered substantially in the form in which we had requested it. We are sorry about the delays and the impression that might have occurred because of the delayed report.

We are hopeful in the future that the presentation under the act will be timely, and will give Congress the information it needs.

#### OMB REVIEW

Senator STEVENS. Was this report put through the OMB procedure?

Secretary LONG. It must be because of the policies we follow in terms of the budget and legislative impacts.

Senator STEVENS. When did you receive it in the Department?

Secretary LONG. It was before Christmas. I could give you the precise date for the record, if you would like, Mr. Chairman.

Senator STEVENS. When did it go to OMB?

Secretary LONG. The end of the same month, December. It was promptly processed within the Department, although there was considerable indepth discussion in the process of doing so.

Senator STEVENS. Did the OMB make any changes in that assessment report?

Secretary LONG. Yes; they did, in terms of language and expression on the statement of policy. We think it is essentially the statement that we had submitted to the Executive Office for their consideration. It is the President's responsibility to submit this to you. There were no substantial changes in content.

Senator STEVENS. We can assume then that this first assessment meeting was not taken into account when this budget was prepared, is that right?

Secretary LONG. That would not be quite correct because we were required to prepare a budget that does reflect the assessment prepared pursuant to the Planning Act.

Senator STEVENS. But you say it did not get there until the end of December, and did not get out of there until the end of February. When this budget was prepared and submitted in January, there were changes by OMB. The problem is, to what extent did that assessment have an impact on this budget?

Secretary LONG. It had a very important impact. I think maybe Mr. McGuire has a comment to add to mine in that particular regard.

Mr. McGUIRE. Mr. Chairman, as the law requires, the 1977 budget is based on consideration of the assessment and the proposed program. The result was that the final decision on the Forest Service budget was not made until a final draft was available to both the Department and the Office of Management and Budget.

One of the last decisions made before the President sent his budget to Congress was with regard to the Forest Service budget.

#### AGENCY, DEPARTMENT, AND OMB REQUESTS

Senator STEVENS. It is difficult to comprehend the fact that this budget reflects the final assessment.

I understand a table was made to portray the development of the Forest Service budget, and we will print it in the record at this point so people will understand to what we are referring.

[The table follows:]

FOREST SERVICE  
FISCAL YEAR 1977  
(in thousands)

Appropriation Items	: Agency : Estimates	: Department : Estimates	: President's : Budget
<b>FOREST PROTECTION AND UTILIZATION:</b>			
<b>FOREST LAND MANAGEMENT:</b>			
<b>National Forest Protection and Management:</b>			
Timber resource management:			
(a) Sales administration and management	\$113,622	\$101,447	\$101,277
(b) Reforestation and stand improvement	67,665	63,451	63,132
Recreation use .....	72,463	59,952	57,860
Wildlife and fish habitat management ....	22,602	16,867	13,500
Rangeland management .....	25,780	22,751	22,751
Soil and water management .....	23,435	20,294	19,542
Minerals area management .....	9,145	9,010	8,095
Forest fire protection .....	43,834	43,196	42,224
General land management activities .....	43,472	39,137	35,647
Special uses--non-recreation .....	(6,203)	(6,078)	(5,811)
Land classification, adjustments, and surveys .....	(20,001)	(16,098)	(13,214)
Maintenance of improvements for fire and general purposes (including communications) .....	(13,022)	(12,715)	(12,376)
Payments to Employees' Compensation Fund .....	(4,246)	(4,246)	(4,246)
<b>Total, National Forest Protection and Management .....</b>	<b>422,018</b>	<b>376,105</b>	<b>364,028</b>
<b>Fighting Forest Fires .....</b>	<b>4,275</b>	<b>4,275</b>	<b>4,275</b>
<b>Forest Insect and Disease Management .....</b>	<b>22,127</b>	<b>20,838</b>	<b>15,012</b>
<b>Cooperative Law Enforcement .....</b>	<b>5,812</b>	<b>5,812</b>	<b>5,306</b>
<b>TOTAL, FOREST LAND MANAGEMENT .....</b>	<b>454,232</b>	<b>407,030</b>	<b>388,621</b>
<b>FOREST RESEARCH:</b>			
<b>Forest and Range Management Research:</b>			
Trees and timber management research ....	16,503	14,951	15,252
Forest watershed management research ....	8,798	7,847	7,802
Wildlife, range, and fish habitat research	7,723	5,647	5,770
Forest recreation research .....	3,056	1,311	1,518
Surface environment and mining .....	3,420	3,420	2,628
<b>Total, Forest and Range Management Research .....</b>	<b>39,500</b>	<b>33,176</b>	<b>32,970</b>
<b>Forest Protection Research:</b>			
Fire and atmospheric sciences research ..	8,872	8,534	8,456
Forest insects and disease research .....	24,065	18,759	19,142
<b>Total, Forest Protection Research .....</b>	<b>32,937</b>	<b>27,293</b>	<b>27,598</b>
<b>Forest Products and Engineering Research:</b>			
Forest products utilization research ....	13,696	11,637	11,395
Forest engineering research .....	2,697	1,705	1,581
<b>Total, Forest Products and Engineering Research .....</b>	<b>16,393</b>	<b>13,342</b>	<b>12,976</b>

Appropriation Items	: Agency : Estimates	: Department : Estimates	: President's : Budget
<b>FOREST PROTECTION AND UTILIZATION--continued</b>			
<b>FOREST RESEARCH--continued</b>			
<b>Forest Resource Economics Research:</b>			
Renewable resources evaluation .....	9,245	6,988	7,153
Forest economics and marketing research .....	4,605	4,056	3,994
<b>Total, Forest Resource Economics Research</b> .....	<b>13,850</b>	<b>11,044</b>	<b>11,147</b>
<b>TOTAL, FOREST RESEARCH</b> .....	<b>102,680</b>	<b>84,855</b>	<b>84,691</b>
<b>STATE AND PRIVATE FORESTRY COOPERATION:</b>			
Cooperation in forest fire control .....	24,194	20,396	11,712
Cooperation in forest tree planting .....	340	340	341
Cooperation in forest management and processing .....	10,740	8,933	7,318
General forestry assistance .....	7,816	5,429	5,429
<b>TOTAL, STATE AND PRIVATE FORESTRY COOPERATION</b> .....	<b>43,090</b>	<b>35,098</b>	<b>24,800</b>
<b>TOTAL, FOREST PROTECTION AND UTILIZATION</b> .....	<b>600,002</b>	<b>526,983</b>	<b>498,112</b>
<b>COOPERATIVE RANGE IMPROVEMENTS</b> .....	<b>700</b>	<b>700</b>	<b>700</b>
<b>CONSTRUCTION AND LAND ACQUISITION:</b>			
Recreation use areas .....	5,863	3,740	3,740
Construction for fire, administration, and other purposes .....	6,825	2,665	2,665
Research construction .....	3,510	669	213
Pollution abatement .....	9,000	6,056	6,056
Land acquisition, Weeks Act .....	1,925	1,740	1,740
<b>TOTAL, CONSTRUCTION AND LAND ACQUISITION</b> .....	<b>27,123</b>	<b>14,870</b>	<b>14,414</b>
<b>RURAL COMMUNITY FIRE PROTECTION GRANTS</b> .....	<b>7,000</b>	-	-
<b>FOREST ROADS AND TRAILS:</b>			
Cash: 10% Fund .....	14,250	14,250	14,250
Federal-Aid Highway Act .....	178,870	165,170	170,104
Budget authority:			
10% Fund .....	14,250	14,250	14,250
Federal-Aid Highway Act .....	-	-	-
Timber Purchasers .....	203,200	200,000	200,000
Program level:			
Forest Service .....	217,255	170,104	170,104
Timber Purchasers .....	173,800	166,407	200,000
<b>ACQUISITION OF LANDS FOR NATIONAL FORESTS, SPECIAL ACTS</b> .....	<b>160</b>	<b>160</b>	<b>160</b>
<b>ACQUISITION OF LANDS TO COMPLETE LAND EXCHANGES</b> .....	<b>54</b>	<b>54</b>	<b>54</b>
<b>ASSISTANCE TO STATES FOR TREE PLANTING</b> .....	<b>1,596</b>	<b>1,596</b>	<b>1,373</b>
<b>CONSTRUCTION AND OPERATION OF RECREATION FACILITIES</b> .....	<b>2,475</b>	<b>2,475</b>	<b>2,475</b>

Appropriation Items	: Agency : Estimates	: Department : Estimates	: President's : Budget
<b>YOUTH CONSERVATION CORPS:</b>			
Budget authority .....	43,315	--	--
Program level .....	43,315	--	16,000
<b>EXPENSES, BRUSH DISPOSAL:</b>			
Budget authority .....	33,000	33,000	33,000
Program level .....	29,394	29,394	29,394
<b>LICENSEE PROGRAMS:</b>			
Budget authority .....	280	280	280
Program level .....	275	275	275
RESTORATION OF FOREST LANDS AND IMPROVEMENTS .	50	50	50
PAYMENT TO MINNESOTA .....	65	65	65
PAYMENTS TO COUNTIES, NATIONAL GRASSLANDS ....	950	950	950
PAYMENTS TO SCHOOL FUNDS, ARIZONA AND NEW MEXICO .....	25	25	25
PAYMENTS TO STATES, NATIONAL FORESTS FUND ....	35,600	35,600	35,600
<b>COOPERATIVE WORK, FOREST SERVICE (trust fund):</b>			
Budget authority .....	72,900	72,900	72,900
Program level .....	73,467	73,467	73,467
<b>TOTALS:</b>			
Budget authority .....	1,042,745	903,958	874,408
Program level .....	1,213,306	1,023,175	1,043,218
<b>RECONCILIATION FOR COMPARABILITY:</b>			
Program level .....	1,213,306	1,023,175	
Timber purchaser correction .....	+29,400	+33,593	
Revised total .....	1,242,706	1,056,768	1,043,218

## DEPARTMENTAL CUTS

Senator STEVENS. The table shows that the Department cut the Forest Service budget request for new budget authority by \$138.7 million, and the OMB imposed a further reduction of \$29.5 million. On a program level basis the Department cut some \$190.1 million, and the OMB restored \$20 million of the cut, with a net reduction of about \$170 million.

I am sure we all know the problem of budget restraints, but something new, as Senator Hatfield pointed out, OMB felt compelled to restore part of the Department's cut. Can you tell us, Mr. Secretary, why the Forest Service was cut so heavily in terms of departmental action?

Secretary LONG. I don't have the details of the reductions that were recommended by the Department, but there is a difference within emphasis of the Forest Service proposal of the Department and the Office of Management and Budget. I cannot say whether the figures you quoted from there are correct.

Senator STEVENS. You have provided us with a table. We have just put it in the record so we will all know what we are talking about.

Secretary LONG. There are some facilities in this, but I think Mr. McGuire should point out something on this.

## BUDGET DEVELOPMENT

Mr. MCGUIRE. Mr. Chairman, I would like to make two points. First, with regard to your last question, the Department, as you know, has some guidance on overall budget estimates. The Department did submit estimates in accordance with the administration guidelines. However, Secretary Butz was not satisfied with these estimates and personally appealed to the White House, urging at least these increases that appear in the President's budget. We had full support of the Department to raise the budget above the original Department estimates.

The second point I want to make is that the agency suggested the figures you have before you. They are based on going on a straight line from where we were in 1976 to where the program suggests we ought to be in 1980. But this is a matter of judgment.

In the review process it was felt that it would be better to stay at a low level and assume that perhaps the fiscal situation would improve in 1980, or in 1978 or 1979, so that we could still reach the targets by higher appropriations in later years.

Senator STEVENS. Let's see if I understand this. You are saying, Mr. Secretary, that the OMB gave the Department a ceiling, and that you submitted a departmental request for the Forest Service within that ceiling, and then went over and appealed, is that correct?

Secretary LONG. That is correct.

Senator STEVENS. When did this ceiling procedure start?

Secretary LONG. That is a governmentwide policy as established by the executive branch, to establish an overall spending ceiling for all departments, including the Department of Agriculture.

The Secretary attempted to operate the budget levels for all the agencies in that level. We asked for some relief in that overall ceiling

because it was our hope to stay as close to a reasonable path that was projected by the planning program, as we could so it would be possible to achieve our objectives, if not by 1980, as close to that target date as we could.

Senator STEVENS. What about the sharp cuts in construction? I understand that the Department cut construction down below the level of 1976.

Secretary LONG. Yes; that is what I was referring to earlier as a warping of the priorities within the budget structure, feeling that some of these programs could be initiated at a later date, where others could not be delayed. We were attempting through our proposals to reflect the planning process that is mandated by the Congress.

Senator STEVENS. But you restored some of the road construction. How do you balance that with the other?

Mr. McGUIRE. In the case of roads, the Department estimate and the President's budget at the program level are exactly the same, \$170,104,000.

Senator STEVENS. That is a vote. We have a 5-minute warning. We will take a short recess, please.

[A brief recess was taken.]

#### PAY INCREASE ABSORPTION—1976

Senator STEVENS. Thank you, gentlemen. As I understand it there is no request before us, Mr. Secretary, for a pay supplemental. So far as this committee is concerned the Forest Service is the only large agency that is before us in this bill that is being asked to absorb pay costs.

Can you tell us why the Department did that to the Forest Service?

Secretary LONG. We are referring to the 1976 request?

Senator STEVENS. Yes.

Secretary LONG. The procedures we have been expected to follow in that regard is that where there had been program increases for an agency as the result of the total process of the 1976 budget's finalization, pay costs would be absorbed within the agency. That has been a standard.

Senator STEVENS. I had a little bit of money to take care of a problem in Tongass wildlife habitat. Around \$300,000 as I recall. As I understand it, the pay costs for the whole Tongass is going to be absorbed from my add-on to take care of wildlife.

How do we have an impact in this budget if that is the case, if the Department says that pay costs are going to be absorbed from the congressional add-ons in effect? We went through this 2 years ago. I thought we finally won that battle, that add-ons were add-ons.

I tell you what I am going to do. If you don't honor it, I am going to take it out of the Office of the Secretary. I am just going to say that pay costs are going to be absorbed by the Office of the Secretary.

I have a little rider prepared for this bill, and I am very serious. This happened to me 2 years ago. It happened to me 3 years ago. Now it has happened indirectly this year.

Secretary LONG. I am not able to speak specifically to the actions that the agency had to take in order to come in under this mandate. But I do know that research has had a particularly difficult time due to the fact that they have a base reduction. Therefore, they are left with a very serious problem of maintaining the program. It is not the intent of this action to reduce the program in this manner. It will have that effect, however.

Senator STEVENS. Everybody else is coming in for a supplemental for pay costs. Why shouldn't the Forest Service?

Secretary LONG. The supplemental was not agreed to. There was an agency and departmental review of the supplemental for this and certain other problems which we have. The supplemental submission was not agreed to.

Senator STEVENS. You mean by OMB?

Secretary LONG. That is correct.

#### IMPACT OF PAY COSTS ABSORPTION

Senator STEVENS. What impact has the pay cost absorption had on the Forest Service program for the current year? The committee would like to know what cutbacks were required in the programs it funded.

Mr. PETERSON. We will furnish that for the record.

Senator STEVENS. It just defeats the whole purpose. We review these things and make some judgments as to priorities, and try to give you congressional priorities. Then we find out that the money we have added, and it was not very much, but it is suddenly absorbed by pay costs.

I think the Department had better give us a report on where those pay costs could be absorbed other than in the program items that resulted from congressional priorities.

Secretary LONG. Would you like to have us report to you in this specific area, Mr. Chairman?

Senator STEVENS. Yes; we would.

Secretary LONG. We will provide that for you.

[The information follows:]

Absorption of fiscal year 1976 and transition period Pay Act costs is having far-reaching effects on accomplishing Forest Service programs.

The consequences of absorbing these costs in our forest research program are very acute. Midway through the fiscal year, research was required to take a \$3,000,000 base funding reduction. The late date, plus retirement costs, severance pay, and transfer of station costs associated with the base reduction, leaves almost no opportunity to absorb \$2,000,000 pay costs in fiscal year 1976 and \$500,000 in the transition period. Four alternatives were considered:

- (1) A virtual moratorium on all non-salary costs except essential housekeeping.
- (2) Reduction in force.
- (3) Request a supplemental.
- (4) Reprograming from other appropriations, including research construction.

Item (3) was selected but not approved. Since the 1976 Appropriation Bill was not passed until December, it may not be possible to fully implement this year some of the programs added by the Congress. We are now determining how much of these additional programs can be made available for reprogramming for Pay Act costs.

Forest Service National Forest System field units are financed by workload, not by organization. The field units are funded on the basis of outputs to be produced to meet our commitment to the Congress.

Approximately \$13,000,000 in fiscal year 1976 and \$6,000,000 in the transition period has to be absorbed in the National Forest System. Smaller regions, particularly those with lower timber output, have been under an ever-increasing financial strain for the past several years. The necessity for absorbing various costs, such as preparation of environmental analyses, inflation, and certain social programs, leaves such regions as the Northern, Intermountain, Rocky Mountain, Southwest, and Eastern with little opportunity to absorb additional impacts without reducing the numbers of employees.

Some examples of the effects of absorbing Pay Act costs on the National Forests in these regions are:

- (1) Key positions are not being filled. One program severely affected is land use planning. Land use planning is critical at this time to comply with the National Environmental Policy Act and still maintain a reasonable flow of resources from the lands.
- (2) One region reports a delay in implementing Occupational Safety and Health Act (OSHA) requirements.
- (3) Many campgrounds and other recreational facilities will not be opened in the Spring of 1976, or opening will be delayed until July 1. The Intermountain Region will not be able to open 42 percent of its campgrounds until July 1.
- (4) Cleanup and maintenance standards of recreation units opened will be lowered. Inability to properly and safely maintain facilities is, of itself, causing closure of many facilities.
- (5) Inability to conduct soil resource inventories in Eastern Wyoming is delaying land use planning in an important energy-producing area.
- (6) In the Intermountain Region, several hundred oil and gas lease applications in Utah are being held up. A new discovery in Southwest Wyoming is expected to result in approximately 500 new applications this Spring.

- (7) Delays are continuing in processing geothermal leases in Idaho.
- (8) Wildlife habitat improvement programs in the Intermountain Region will also suffer. Bitter-brush seedlings for deer and elk winter ranges will not be planted this spring.

In addition to the above, the following general items are critical:

- (1) Most field units will have to delay hiring summer employees.
- (2) Throughout the West, many range allotment management plans will not be implemented this Spring. Range improvements such as water developments, range revegetation or fencing cannot be implemented. This situation is further complicated by commitments to livestock permittees and grazing associations to cooperatively implement such plans. These agreements, and the adoption of intensive management practices, are the key to increased red meat production from public ranges.
- (3) There is a strong possibility of reduced timber sale offerings at a time when the building industry is showing signs of increased activity. It will be later in the fiscal year before we know what impact absorbing the Pay Act costs will have on timber outputs. If targets are generally met, however, it will be at the expense of delaying other work which goes into maintaining the "pipeline" of timber supply. Preparation of a timber sale with environmental protection resources, road surveys and other necessary coordination requires from 2 to 5 years. An interruption in the orderly progression of this process simply means crowding problems or activities ahead to be faced in a more critical time situation next fiscal year.

Senator STEVENS. As I understand it, the pay costs are being absorbed in the area of program additions that were made by Congress?

Secretary LONG. That is correct in some cases.

Senator STEVENS. That is a good way of giving you line item veto of the congressional add-ons. I think that somehow or other we are going to work that out.

Secretary LONG. We will provide that for you.

Senator STEVENS. I know where I can get the money. I can get it out of the Secretary's office.

Secretary LONG. There is not very much money there, Mr. Chairman, I assure you.

Senator STEVENS. We did not give very much money in add-ons, but I guarantee you there is more than \$300,000 in that Secretary's office. We are all parochial about this thing, I am sure you realize. There are a lot of add-ons between the House and the Senate. I think the total was less than about \$20 million.

Secretary LONG. Actually it was the reduction in the base for research which, of course, further distorted the problem that we are discussing.

#### YOUTH CONSERVATION CORPS DEFERRAL

Senator STEVENS. What about the deferral on the YCC funding?

Secretary LONG. We did not propose any new budget authority for 1977. That was in anticipation of congressional action with regard to the program level for the YCC program. The President's budget contained a \$16 million program level in 1977. The Department's estimate was zero. That was based on the proposals that we had at the time. Subsequent to that it is my understanding that the program level will be at \$32 million in 1976 as a result of Congress not approving the executive request.

Senator STEVENS. Yes. But did we take it in time so it will be spent this year?

Secretary LONG. I think the answer is yes. Do you want to elaborate on that?

Mr. MCGUIRE. That is correct, Mr. Chairman. We had to know by March 10 and that date has been met. The reason for that is some of this money goes to the States.

Senator STEVENS. Yes; I know. I was fearful that it might not meet the deadline.

Mr. MCGUIRE. The States were alerted to plan for a \$27 million level. With the timing of the congressional decision before March 10, they now have adequate time.

Senator STEVENS. Very good. It appears that the deferral procedure is being used almost as the fiscal year impoundment device. If we had not made that deadline, we would not have been able to get it out this fiscal year. Is that correct?

Mr. MCGUIRE. That is correct.

Secretary LONG. The timing is a factor here, Mr. Chairman. The Department did have to take the position since there was a pending action and we could not, at the time of submission, put an item in there.

Senator STEVENS. You are still zeroing the budget, though, for YCC?

Secretary LONG. It is budgetwise, but as a practical matter we are going ahead with the program as outlined in 1976.

FISCAL YEAR 1977 YCC FUNDING

Senator STEVENS. That is for 1976. What are we going to do for 1977?

Mr. MCGUIRE. Mr. Chairman, if I could add to what Mr. Long said, the administration proposal was to spend half of the \$32 million in calendar year 1976 and carry over the other half and spend it in 1977. You would have a \$16 million program in each of the 2 calendar years. That is why there is no money requested for 1977.

Senator STEVENS. How much are you going to spend this year?

Mr. MCGUIRE. \$32 million in calendar year 1976.

Senator STEVENS. You are not going to carry any over for next year?

Mr. MCGUIRE. We will not have any for fiscal year 1977.

Senator STEVENS. Isn't the expansion of the YCC program one of the many recommendations in the RPA assessment?

Mr. MCGUIRE. Yes, sir. The RPA recommended program would expand the YCC program by fiscal year 1978 to the level authorized in the legislation, which is \$60 million. This would employ approximately 570,000 youths, including approximately 200,000 youths at Forest Service locations throughout the United States. The Department of the Interior, States and territories would employ the rest.

Senator STEVENS. Are you going to put in a budget amendment?

Secretary LONG. We do not, at this point in time, Mr. Chairman, contemplate a budget amendment request.

Senator STEVENS. You are going to make it hard on those who want to support the administration if you force us to break the budget by adding money to items like this that should not be zero in the first place. I think that ought to be looked at. You ought to have a budget amendment. It certainly is authorized and it certainly is a continuing program. I don't think anybody believes we are not going to add the money, but if we add the money, then we are budget breakers. That is sort of a strange procedure.

PREPARED STATEMENT OF CHIEF MCGUIRE

Well, Chief, you have a statement. I would appreciate it if you would put that statement in the record. I am sure you have some highlights on it, though. I would like you to do that if you would.

[The statement follows:]

STATEMENT OF JOHN R. MCGUIRE, CHIEF, FOREST SERVICE,  
U.S. DEPARTMENT OF AGRICULTURE, BEFORE THE SENATE SUBCOMMITTEE OF THE COMMITTEE  
ON APPROPRIATIONS, FOR THE DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES

Mr. Chairman and Members of the Committee, I appreciate this opportunity to discuss with you the fiscal year 1977 budget. I will try to cover the highlights.

I have with me today Rexford A. Resler, Associate Chief; Robert E. Buckman, Acting Deputy Chief for Research; John W. Deinema, Deputy Chief for Administration; Thomas E. Nelson, Deputy Chief for National Forest System; R. Max Peterson, Deputy Chief for Programs and Legislation; Philip L. Thornton, Deputy Chief for State and Private Forestry; William A. Campbell, Director of Program Development and Budget; and Warren A. Blight, Deputy Director of Finance for the Department.

Forest and Rangeland Renewable Resources Planning Act of 1974

The long-range program has recently been sent to the Congress and I want to outline the process which was followed to implement the Forest and Rangeland Renewable Resources Planning Act. This Act provides the direction for the Forest Service to appraise and respond to the national situation in the protection and management of the forestry and related natural resources. The Act, as you recall, contains two major requirements:

- (1) The Forest Service must periodically submit to Congress a Renewable Resources Assessment for all of America's forest and rangeland--public and private.
- (2) It must also, through the Secretary of Agriculture, recommend a long-range Renewable Resources Program limited specifically to Forest Service activities--research, State and private forestry cooperation, and the National Forest System.

The first assessment and program were developed on the basis of currently available information, programs, and data sources. Existing data and studies from many Federal and State agencies, as well as from the Forest Service, were used as the basis for the assessment. The assessment was the starting point for developing the program proposed.

The program as developed included the elements of an environmental impact statement patterned on the principles outlined in the National Environmental Policy Act. Six resource systems, covering the full range of Forest Service responsibilities, were used. The six systems are:

- Outdoor recreation and wilderness
- Wildlife and fish
- Range
- Timber
- Land and water
- Human and community development

The public was involved extensively in developing the assessment and the program. Broad public review occurred at four different stages. Several thousand documents and letters containing information and suggestions were received in the process. This informed-citizen response from every State in the Union was supplemented by testimony at 14 hearings, hundreds of briefings, workshops, and public meetings around the country. These responses were all given consideration and helped shape the final decisions of the Forest Service and the Department.

Other criteria--social, environmental and economic--were also applied to the eight possible alternative programs examined and the recommended program was selected and developed accordingly. The environmental impact statement process was used to determine positive and negative environmental, social, and economic effects.

Economic effectiveness was determined by measuring and comparing accumulated costs with estimated value of results, to determine that benefit values exceeded costs.

The Resources Planning Act process is closely related to the budget process. The fiscal year 1977 budget proposes the first year of the program called for by the Act. The 1977 budget is consistent with the purposes of the Act of establishing a basic framework for development and consideration of annual appropriation requests which are related to the long-term goals and objectives in the Forest Service long-range program.

#### The Assessment

I would like to highlight some of the important parts of the assessment. In response to past increases in population, economic activity and income, the demand for nearly all products of forest and rangelands, and the associated inland waters, has risen rapidly. The growth has been especially fast for some forms of outdoor recreation. For example, the number of households camping more than tripled between 1960 and 1973, rising from 4.3 million to 14.3 million. Increases for most other products were more modest but substantial. Between 1960 and 1970, for example, the days spent hunting and fishing rose from 563 million to 771 million, indicating an increase in demand of 37 percent. Timber consumption rose from a level of around 11.5 billion cubic feet in the early 1960's to nearly 14 billion cubic feet--up 22 percent.

Projections of demand for forest, range and inland water products, based on assumed increases in population, economic activity, income, prices and the other determinants used in the assessment, show continued growth through the projection period.

Although there are differences in projected growth in demand, the increases are substantially above the levels that can be supplied with present management programs and existing facilities. This means that the Nation is faced with the prospect of rising costs for products such as timber, forage, and water and intensifying competition for the available supplies of wildlife, fish and outdoor recreation.

#### The Program

The program was developed in a series of systematic steps. The resource situation for each of the six resource systems was reviewed. This revealed the Nation's current inventory of renewable resources, as well as potential growth and projected demand as previously described. Resource needs and deficiencies, identified by the assessment and opportunities by which the activities of the Forest Service could be applied to overcoming them, were catalogued.

Three to five alternative goals were developed for each resource system. These represented options which would harmonize among all systems. These broad, general goals for each resource system were broken into a series of quantifiable targets expressed in terms of yields of goods or services. A program was then formulated for each goal to describe the activities and commitments necessary to attain the related targets. An environmental analysis was developed for each resource system. Net effects upon the quality of the environment--natural, social, and economic--were analyzed. An attempt was made to detail changes in environmental impacts that would occur with changes in goals.

The various programs for each system were brought together to form a series of multi-resource programs offering a variety of directions renewable resource management could take. From a possible 5,000 combinations, eight alternative program directions were chosen as being feasible and covering a broad spectrum of program options.

After a period of active public review, the many comments and suggestions were assimilated, analyzed, and considered in shaping the recommended program.

The time available to the Forest Service for this first assessment and planning effort was very limited. Long-term projections are difficult to make with assurance. Long-term programing must be tempered by changing conditions and by better understanding of relationships between program efforts and results. There was not time to collect all the data and to make all the analyses that would be desirable. The Forest Service and the Department are committed to gathering more information and further evaluation of projections and program approaches in the future as required by the law.

To contribute its share of renewable natural resources goods and services, the Department of Agriculture and the Forest Service have recommended the following mix of goals and activities for the next 44-year period. A brief description of the program follows:

Recreation. Supply of outdoor recreation opportunities and services would be increased through Forest Service programs which emphasize dispersed recreation. In State and private forestry, efforts would be directed towards assisting private forest landowners who have an interest in helping to provide public recreation opportunities. Investments on National Forest lands would supplement other public programs and private capital as needed to help accommodate the rising demand. Research would strengthen technology and understanding of recreation demands, trends, values and environmental impacts, as well as quantify and rank market and non-market recreation values. Recreation use on dispersed areas could be increased from the present 125 million recreation visitor-days to a range of between 176 and 220 million RVDs in 2020. Recreation use in National Forest developed sites would increase from 73 million recreation visitor-days in 1975 to a range of 100 to 122 million RVDs in 2020.

Wilderness. A moderate increase in wilderness would occur on National Forest land. The acreage would remain approximately constant until 1980 and then increase to between 25 and 30 million acres by 2020. Research would be expanded to clarify the role of natural fire and fire under prescribed conditions in wilderness, and determine how to balance wilderness recreation within the limits of wilderness preservation.

Fish and wildlife. Activities would be geared to provide for species diversity and greater wildlife and fish populations by means of a substantial increase in habitat management. Research would emphasize habitat identification and improvement for endangered species and would study the impact of alternative forest and range practices on game and nongame habitats and populations. State and private forestry would focus on technical assistance and encouragement of multi-purpose management on non-industrial private forest and rangeland. Habitat improvements on National Forest System land would increase from 175,000 acres in 1975 to a range of from 2.2 million to 2.8 million acres annually by 2020.

Range. The goal would be to provide forage to the extent benefits are commensurate with costs, without impairing land productivity. State and private forestry would focus on cooperative range efforts in concert with other Federal, State, and local agencies to encourage private landowners to provide from 106 to 133 million animal unit months annually from non-Federal forested range in 2020. The effort on National Forest System land would be to increase the level of grazing from its current 11.3 animal unit months to something between 18.0 and 20.4 million animal unit months in 2020. Research would develop range management strategies to increase the production of red meat in ways that would reduce the impact of livestock grazing on other uses of range and forest land.

Timber. The goal would be to increase timber supplies and quality to the point where benefits are commensurate with costs. State and private forestry production programs would be aimed at achieving an output from non-industrial private, State and local public lands amounting to over 9.1 billion cubic feet in 1980 and up to a range of 14.3 to 17.4 billion cubic feet by 2020. National Forest System would handle an increase in sale offerings from 2.4 billion cubic feet in 1975 to a range of 3.33 to 4.07 billion cubic feet per year in 2020. Research would develop improved methods for controlling economically important insects and diseases, intensifying silviculture for increased wood production, utilizing and marketing forest residues and inventorying and evaluating resources.

Land and water. The goal in this system would be to meet air and water quality standards, giving emphasis to improvement of soil productivity, air and water quality. Important areas of research include the nature and extent of nonpoint sources of pollution generated by management; technologies to reclaim surface-mined areas; new and improved logging practices for fragile soils and steep slopes; and improved efficiency of fire prevention and firefighting operations. Selective improvements, commensurate with benefits, would take place on water supply. The goal would meet other land stewardship standards.

Human and community development. This goal would emphasize involvement of the Forest Service in human and community development efforts that complement the activities of other Forest Service resource systems. Programs emphasized are those which are most closely related to natural resource management and development. State and private forestry would step up assistance to communities. Research would be expanded to meet the housing, shelterbelt and urban recreation needs of society, as well as improve detection of, and suppression of, fires where urban and wildlands intermingle.

The program is also designed to eliminate most of the backlogs, including the 2.1 million acres of reforestation needed on National Forest land, by the year 2000.

I have attached the Recommended Program Direction which displays the projected outputs and summary of projected costs for each year from 1977 through 1980 and each ten year period thereafter.

#### The 1977 Budget Proposal

The 1977 budget, as Secretary Long mentioned, reflects the Department's attempt to begin to meet the requirements of the long-range plan. I will discuss some of the highlights of our 1977 proposal and then will be ready to respond to questions you may have on the subject.

We are proposing program increases for recreation management which total \$4 million. This money would enable us to selectively reopen closed campgrounds and restore operating seasons as well as to strengthen our visual resource management, improve administration at concessionaire sites, provide for management planning and administration of two newly designated wildernesses, and to improve our schedule for wilderness study areas in the eastern United States.

We are proposing rather substantial increases for some of the other forest land management activities also. For example, we are proposing program increases of \$2.1 million for wildlife and fish habitat management, \$3.7 million for rangeland management, \$1.2 million for minerals area management, \$1.1 million for soil and water management, \$2.2 million for fire protection, and \$1.3 million for maintenance of fire and general purpose facilities.

The 1977 budget proposes to finance timber sale offerings of 10.4 billion board feet. These new offerings plus the approximately 1 billion board feet of timber which has been prepared but not sold will, we think, meet the expected demand of timber from the National Forests. The uncut volume under contract is approximately 30 billion board feet.

As you know, recent court decisions concerning our timber harvesting practices are causing concern. This situation poses problems not only in our ability to provide a continuing flow of timber, but also to provide habitat for wildlife and meet recreation needs. The impacts extend to all of our resource programs. We are working with the Congress in developing legislation to solve this problem.

In 1976, grazing fees will be \$1.60 per animal unit month. This is consistent with your Committee's recommendation.

As Mr. Long mentioned, we are proposing to reduce the Federal cost-share for the cooperative forest fire control program. We plan to continue our technical assistance program in this important activity.

In other State and private cooperative programs, the timber utilization and harvesting, the sawmill improvement, and the multiple use technical assistance activities are being increased. Working with the State forestry organizations, these programs are geared to assist small landowners and sawmill operators in improving their practices and thus increase supply.

The next assessment under the Resources Planning Act will be accomplished in 1979. We have proposed a program increase of \$1.4 million to strengthen our renewable resource evaluation, particularly in non-timber alternatives, to improve the data base and thus improve and strengthen the next assessment.

This year, for the first time, the budget includes a request for the timber purchaser road construction program. The Resources Planning Act required that the financing of forest development roads, by agreement with the timber purchaser, should be included in the budget as budget authority and budget outlay. The amount included in the budget is the estimated amount for such purchaser construction activity as specified in the timber sale contracts to be awarded during 1977.

We had planned to use \$16 million carryover Youth Conservation Corps funds in fiscal year 1977. Therefore, no budget authority had been requested for this program for 1977. However, on March 9 the Senate passed S. Res. 385 disapproving the deferral of the Youth Conservation Corps budget authority. The result is that no funds will be available in 1977 for Youth Conservation Corps.

I appreciate the chance to make these comments and will be glad to answer any questions you may have.

RECOMMENDED PROGRAM DIRECTION

: Recommended :	: 1/ :	: Unit of :	: Measure :	: Index :	: Outputs and Costs by Time Period :							
					: Average Annual 2/ :							
					: 1977 :	: 1978 :	: 1979 :	: 1980 :	: 1981-1990-1991-2000 :	: 2001-2010 :	: 2011-2020 :	
: Program: System :												
: Range :												
Key Primary and Intermediate Outputs												
High	Recreation Use--Developed	R64H	Mil. RVD	72.8	76.3	73.3	79.9	81.0	88.1	97.4	108.1	122.4
Low	Recreation Use--Developed	R64H	Mil. RVD	-	73.3	73.3	73.8	74.8	79.7	84.6	90.2	100.1
High	Recreation Use--Dispersed	R64H	Mil. RVD	125.0	134.7	137.8	139.8	140.0	160.9	181.0	201.1	220.0
Low	Recreation Use--Dispersed	R64H	Mil. RVD	-	128.0	129.5	130.0	128.3	144.8	156.8	166.9	176.0
High	Wilderness--Maintained	R64W	Mil. Acres	15.2	15.2	15.2	15.2	15.2	23	23	25	30
Low	Wilderness--Maintained	R64W	Mil. Acres	-	15.2	15.2	15.2	15.2	21	21	25	30
High	Wildlife Habitat Improvement	W64F	Thou. Acres	175	500	627	834	1,040	1,455	1,850	2,297	2,744
Low	Wildlife Habitat Improvement	W64F	Thou. Acres	-	475	627	776	957	1,310	1,609	1,906	2,195
High	Fish Habitat Improvement	W64F	Thou. Acres	4	13	15	18	21	35	50	72	84
Low	Fish Habitat Improvement	W64F	Thou. Acres	-	12	16	17	19	32	44	51	58
High	Livestock Grazing--NFS	R	Mil. ADM's	11.3	11.4	12.9	14.6	16.3	18.9	20.4	20.4	20.4
Low	Livestock Grazing--NFS	R	Mil. ADM's	-	10.8	12.1	13.6	15.4	17.2	17.7	16.9	18.0
High	Livestock Grazing--S66F	R	Mil. ADM's	59.1	60.1	61.5	63.0	67.5	89.0	132.7	132.7	132.7
Low	Livestock Grazing--S66F	R	Mil. ADM's	-	57.1	57.8	52.3	62.1	80.1	115.4	110.1	106.2
High	Potential Timber Yield--NFS	T	Bil. Cu. Ft.	2.7	2.75	2.88	2.91	3.02	3.26	3.53	3.82	4.07
Low	Potential Timber Yield--NFS	T	Bil. Cu. Ft.	-	2.65	2.72	2.69	2.78	2.95	3.07	3.19	3.33
High	Timber Sale Offering--NFS 5/	T	Bil. Cu. Ft.	2.4	2.08	2.92	3.05	2.91	3.26	3.53	3.82	4.07
Low	Timber Sale Offering--NFS 5/	T	Bil. Cu. Ft.	-	2.08	2.76	2.83	2.69	2.95	3.07	3.19	3.33
High	Timber Util. Improv.--All Ownership	T	Pct. Increase	5	5.10	5.15	5.20	6.24	9.45	11.77	13.08	14.30
Low	Timber Util. Improv.--All Ownership	T	Pct. Increase	-	4.90	4.85	4.80	5.76	8.55	10.23	10.92	11.70
High	Potential Timber Yield--Non-Industrial Private Lands	T	Bil. Cu. Ft.	7.5	2.7	11.0	11.4	9.15	11.45	13.70	15.91	17.49
Low	Potential Timber Yield--Non-Industrial Private Lands	T	Bil. Cu. Ft.	-	2.6	9.9	11.1	8.65	10.36	11.90	13.29	14.31
High	Water Quality (Min. Standards)	LM6A	Thou. Ac. Ft.	1,373	1,402.5	1,419.3	1,436.2	1,460.4	1,512	1,549.4	1,578.3	1,592.8
Low	Water Quality (Min. Standards)	LM6A	Thou. Ac. Ft.	-	1,367.5	1,336.7	1,325.8	1,329.6	1,368	1,346.6	1,317.7	1,433.5
High	Fire Prevention--NFS	LM6A	No. Man-Caused	6,990	6,834	6,592	6,344	6,240	6,195	6,313	6,322	6,270
Low	Fire Prevention--NFS	LM6A	No. Man-Caused	-	6,566	6,209	5,856	5,760	5,605	5,487	5,278	5,130
High	Fire Suppression--S66F	LM6A	No. Per Mil. Ac. Prot.	216	231	219	223	222	220	224	227	228
Low	Fire Suppression--S66F	LM6A	No. Per Mil. Ac. Prot.	-	221	209	205	204	200	194	189	186
High	Lands Acquired and Exchanged	LM6A	Thou. Acres	-	126.5	121.0	244.4	304.2	423.2	506.1	101.4	113.3
Low	Lands Acquired and Exchanged	LM6A	Thou. Acres	-	121.5	114.0	225.6	208.8	382.8	439.9	84.6	102.0



RECOMMENDED PROGRAM DIRECTION -- continued

1/ R&W -- Outdoor Recreation and Wilderness System  
 W&F -- Wildlife and Fish Habitat System  
 R -- Range System  
 T -- Timber System  
 LW&A -- Land, Water, and Air System  
 H&CD -- Human and Community Development

2/ Data may not add to totals because of rounding.

3/ Average annual outputs and inputs for the decade.

4/ Total costs do not include the following program budget items:

Payments to Bureau of Employees' Compensation Fund  
 Cooperative Work, Forest Service (trust fund)  
 Agricultural Stabilization and Conservation Service Expenses (allocation)  
 Oregon and California Grant Lands (allocation)  
 Federal Highway Trust Fund (allocation)

5/ Conversion rate for National Forest System timber sale offerings is 5 board feet per cubic foot. The output timber sale offerings for 1977 is 10.4 billion board feet.

## COMPARISON WITH 1976 REQUEST

Mr. MCGUIRE. Thank you, Mr. Chairman. I believe most of the contents of my statement, at least the highlights, have been covered in the previous discussion.

My statement goes into some detail about the Renewable Resources Planning Act—what it contains and how it was developed.

As you pointed out in your opening statement, the budget request is approximately the same as the 1976 appropriation. The difference mainly is accounted for by Pay Act costs and by our first request for an appropriation for timber purchaser roads. Otherwise, the level of requests is about the same.

There are some program increases requested in wildlife and fish habitat management, rangeland management, minerals area management, soil and water management, fire protection and maintenance of facilities. The committee, I know, is interested in grazing fees, and my statement points out the fees will be \$1.60 per animal unit month in 1976.

## GRAZING FEES

Senator STEVENS. Is that up now?

Mr. MCGUIRE. Yes, sir.

Senator STEVENS. How much is the increase?

Mr. MCGUIRE. It was \$1.11 last year.

Senator STEVENS. It is going up to \$1.60?

Mr. MCGUIRE. \$1.60 per animal unit month in 1976.

Senator STEVENS. Where do those fees exist?

Mr. NELSON. We have about 11 million animal unit months that are in this.

Senator STEVENS. Roughly \$7 million in receipts?

Mr. MCGUIRE. It will be somewhat more than that. Approximately 10 or 11.

Senator STEVENS. I don't understand. You have to multiply that by some number of months. What are the total receipts you have estimated for 1976?

Mr. MCGUIRE. The grazing receipts are estimated to be about \$9.5 million in fiscal 1976 and about \$10.1 million in 1977.

Senator STEVENS. The increase of 50 cents is going to bring it up to that?

Mr. MCGUIRE. The fee applies to the calendar year. At least half of the fiscal year 1976 receipts are at these higher payments. The second half of the fiscal year.

Senator STEVENS. All right. I am sorry to have interrupted you if you have other comments.

Mr. MCGUIRE. I think, as I was saying, Mr. Chairman, that my statement highlights have been pretty well covered. I don't believe I need to add anything more in summary.

## RESOURCES PLANNING ACT ASSESSMENT

Senator STEVENS. What about this Resources Planning Act now? Do you think this budget does reflect that assessment?

Mr. MCGUIRE. We estimated because of the short time remaining until the new assessment must be presented to the Congress that

we would have to go at a somewhat faster pace than this budget would provide. Either we will have to speed up in subsequent years, and there won't be very much time for that, or the assessment would be somewhat less adequate than it might be if we had more money.

Senator STEVENS. Would you have enough money even to perform the assessment if you had to absorb the cost of the assessment yourself?

Mr. MCGUIRE. We did get some additional funding, but basically the first assessment was a summarization of the existing data. We used data in our own files, data obtainable from other agencies, such as the Water Resources Council and the Fish and Wildlife Service, the Bureau of Outdoor Recreation, and so forth.

Senator STEVENS. You have about \$1.4 million in this request for the ongoing assessment?

Mr. MCGUIRE. That is correct.

Senator STEVENS. Is that enough?

Mr. MCGUIRE. It is not enough to do what we think would be an adequate job by the time the next assessment is due.

Senator STEVENS. When is the next one due?

Mr. MCGUIRE. 1979.

Secretary LONG. Mr. Chairman, I think what the Chief is saying, what we all understand among ourselves, is that the budget is a very tight one that we are proposing to you this year in regard to achieving the objectives of the Assessment and Planning Act by 1979 and later years.

We are hopeful that the process we are in right now in terms of the upward trend in the economy, would indicate we may have an acceleration process at a later date. We don't know at this time when that could in fact take place.

We have not abandoned our objectives which have been accepted by the Executive Office and submitted to the Congress at this point in time.

#### ADEQUACY OF BUDGET

Senator STEVENS. There is nothing approximating the increase that would be necessary for you to meet the goals set forth in that report. You say you really don't know when those increases could be expected. Is that right?

Secretary LONG. No; we do not. It would obviously be subject to future restraints and/or problems we have with the Federal budget system.

Senator STEVENS. What level would be required starting now to meet the goals that were set for 1980?

Mr. MCGUIRE. Mr. Chairman, we estimated that we need \$9,245,000 of renewable resources evaluation as compared to \$7,153,000 in the President's budget.

Senator STEVENS. The funding levels in that report are in constant 1975 dollars?

Mr. MCGUIRE. That is right.

Senator STEVENS. But we get a budget in terms of 1976 dollars or 1977, which is it?

Mr. MCGUIRE. That is correct.

Senator STEVENS. Can you give us a table showing that, so we are not looking at apples and oranges? What would be your budget if it were in 1975 dollars? Can you give us that?

Mr. McGUIRE. I think we can do that. Most of the changes are due to pay act costs. In recent years there has been a constant rate of inflation in the nature of 15 to 18 percent. There are many costs that are not covered.

Senator STEVENS. But they are not all subject to it?

Mr. McGUIRE. No, sir.

Senator STEVENS. Would you give us a table showing your 1977 budget by activity in 1975 constant dollars?

Mr. McGUIRE. We would be glad to do that.

[The information follows:]

## IMPACT OF INFLATION ON FISCAL YEAR 1977 BUDGET

The fiscal year 1977 budget proposal was developed using cost estimates applicable in the summer of 1975. The proposals as forwarded to the Department, the OMB and the Congress do not include increases to cover expected inflation between 1975 and the time when services are performed in fiscal year 1977. Thus, there is a time lag of 10 to 22 months between the time when estimates were prepared and the time when the work is accomplished.

The following table shows the difference due to expected increases in the rate of inflation (in thousands):

Appropriation Items	: 1977 : President's : Budget	: 1977 : Non-Salary : Amount	: Non-Salary : Adjusted to : 1977 Dollars	: Difference : Due to : Inflation
<b>FOREST PROTECTION AND UTILIZATION:</b>				
<b>FOREST LAND MANAGEMENT:</b>				
<b>National Forest Protection and Management:</b>				
Timber resource management:				
(a) Sales administration and management .....	\$101,277	\$25,319	\$27,791	\$2,472
(b) Reforestation and stand improvement .....	63,132	32,828	36,033	3,205
Recreation use .....	57,860	19,094	20,958	1,864
Wildlife and fish habitat management .....	13,500	3,780	4,149	369
Rangeland management .....	23,451	8,442	9,266	824
Soil and water management ...	19,542	5,863	6,435	572
Minerals area management ....	8,095	2,105	2,311	206
Forest fire protection .....	42,224	16,890	18,539	1,649
General land management activities .....	35,647	12,120	13,303	1,183
Total, National Forest Protection and Management .....	364,728	126,441	138,785	12,344
<b>Forest Insect and Disease Management .....</b>				
	15,012	9,007	9,886	879
<b>Cooperative Law Enforcement ....</b>				
	5,306	4,086	4,485	399
<b>TOTAL, FOREST LAND MANAGEMENT ....</b>	<b>385,046</b>	<b>139,534</b>	<b>153,156</b>	<b>13,622</b>
<b>FOREST RESEARCH:</b>				
<b>Forest and Range Management Research:</b>				
Trees and timber management research .....				
	15,252	5,185	5,692	507
Forest watershed management research .....				
	7,802	2,653	2,912	259
Wildlife, range, and fish habitat research .....				
	5,770	1,962	2,153	191
Forest recreation research ...				
	1,518	516	566	50
Surface environment and mining .....				
	2,628	894	981	87
Total, Forest and Range Management Research .....	32,970	11,210	12,304	1,094
<b>Forest Protection Research:</b>				
Fire and atmospheric sciences research .....				
	8,456	3,890	4,269	379
Forest insects and disease research .....				
	19,142	8,805	9,665	860
Total, Forest Protection Research .....	27,598	12,695	13,934	1,239

Appropriation Items	: 1977 : President's : Budget	: 1977 : Non-Salary : Amount	: Non-Salary : Adjusted to : 1977 Dollars	: Difference : Due to : Inflation
<b>FOREST PROTECTION AND UTILIZATION--</b>				
continued				
<b>FOREST RESEARCH--continued</b>				
<u>Forest Products and Engineering</u>				
<u>Research:</u>				
Forest products utilization research .....	11,395	2,849	3,127	278
Forest engineering research	1,581	395	434	39
<b>Total, Forest Products and Engineering Research .....</b>	<b>12,976</b>	<b>3,244</b>	<b>3,561</b>	<b>317</b>
<u>Forest Resource Economics</u>				
<u>Research:</u>				
Renewable resources evaluation .....	7,153	1,931	2,120	189
Forest economics and market- ing research .....	3,994	1,079	1,184	105
<b>Total, Forest Resource Economics Research .....</b>	<b>11,147</b>	<b>3,010</b>	<b>3,304</b>	<b>294</b>
<b>TOTAL, FOREST RESEARCH .....</b>	<b>84,691</b>	<b>30,159</b>	<b>33,103</b>	<b>2,944</b>
<b>STATE AND PRIVATE FORESTRY</b>				
<b>COOPERATION:</b>				
<u>Cooperation in forest fire control .....</u>	11,712	11,243	12,341	1,098
<u>Cooperation in forest tree planting .....</u>	341	256	281	25
<u>Cooperation in forest manage- ment and processing .....</u>	7,318	6,440	7,069	629
<u>General forestry assistance .</u>	5,429	2,823	3,099	276
<b>TOTAL, STATE AND PRIVATE FORESTRY COOPERATION .....</b>	<b>24,800</b>	<b>20,762</b>	<b>22,790</b>	<b>2,028</b>
<b>TOTAL, FOREST PROTECTION AND UTILIZATION .....</b>	<b>494,537</b>	<b>190,455</b>	<b>209,049</b>	<b>18,594</b>
<b>CONSTRUCTION AND LAND ACQUISITION:</b>				
Recreation use areas .....	3,740	2,655	3,103	448
Construction for fire, adminis- tration, and other purposes ..	2,665	2,052	2,398	346
Research construction .....	213	207	242	35
Pollution abatement .....	6,056	3,028	3,539	511
Land acquisition, Weeks Act ...	1,740	1,409	1,647	238
<b>TOTAL, CONSTRUCTION AND LAND ACQUISITION .....</b>	<b>14,414</b>	<b>9,351</b>	<b>10,929</b>	<b>1,578</b>
<b>FOREST ROADS AND TRAILS (program level) .....</b>	<b>170,104</b>	<b>68,042</b>	<b>74,685</b>	<b>6,643</b>
<b>ASSISTANCE TO STATES FOR TREE PLANTING .....</b>	<b>1,373</b>	<b>1,085</b>	<b>1,191</b>	<b>106</b>
<b>TOTAL .....</b>	<b>680,428</b>	<b>268,933</b>	<b>295,854</b>	<b>26,921</b>

Projected inflation has been applied to the non-salary portion of the line item dollar amounts. It is assumed that Pay Act increases will cover the inflation due to salary and wage increases.

Inflation rate is based on implicit price deflators included in the "Economic Report of the President, January 1976." Price deflators by quarter for 1973 through 1975 were projected by trend line analysis through 1977. The figures follow:

## IMPLICIT PRICE DEFLATORS

<u>Year</u>	<u>Quarter</u>	<u>Federal Purchase of Goods and Services</u>	<u>Fixed Investment- Non-Residential Structures</u>
1973	I	103.6	104.3
	II	105.3	106.9
	III	106.1	109.0
	IV	109.5	111.5
1974	I	112.1	115.9
	II	114.9	124.4
	III	118.6	133.1
	IV	124.8	138.3
1975	I	127.3	141.0
	II	128.9	141.2
	III	130.9	141.4
	IV	135.3	143.2

## ESTIMATED PROJECTIONS

1976	I	137.87	152.83
	II	140.91	156.98
	III	143.95	161.13
	IV	146.99	165.28
1977	I	150.03	169.44
	II	153.07	173.59
	III	156.11	177.74
	IV	159.15	181.89

Two price deflators are used. The deflator for Fixed Investment - Non-Residential Structures is used for Construction and Land Acquisition line items. The deflators for Federal Purchase of Goods and Services is used for all other line items.

The difference due to inflation is obtained by adjusting the non-salary funding, which is in 1975 dollars, to funding based on 1977 dollars, using the projected average implicit price deflator for fiscal year 1977.

## NON-FEDERAL RESOURCES

Senator STEVENS. This report indicates that you anticipate an increase in non-Federal, State, and private resources. Is that a good estimate?

Mr. MCGUIRE. We think that with the increase in demand and, hence, higher prices, there will be more incentive on the part of private landowners, if I'm getting your question correctly. However, the budget does provide for the tapering off of the Federal share of cooperative programs, such as protection from forest fires on non-Federal land.

## TIMBER RECEIPTS

Senator STEVENS. This increased stumpage fee that we have all seen, part of this goes to the community does it not?

Mr. MCGUIRE. That is correct.

Senator STEVENS. The balance of it is not earmarked though, is it?

Mr. MCGUIRE. Only 10 percent of the total is earmarked. That goes to roads and trails. The committee has an estimate of what that amount is.

Senator STEVENS. How much did your stumpage amount to last year, and what do you estimate for the 1977 budget?

Mr. MCGUIRE. The timber sales receipts in national forest lands were \$332 million in 1975; \$440 million is estimated for 1976. We estimate about the same level, \$440 million, for 1977.

Senator STEVENS. Of that, 25 percent goes to the counties?

Mr. MCGUIRE. Yes, to the counties, and 10 percent is used for roads and trails, but it must be appropriated.

Senator STEVENS. But not necessarily in the same forests? Roads and trail money are earmarked for the same area?

Mr. MCGUIRE. It must be in the same State, Mr. Chairman.

## RECREATION IN ALASKA

Senator STEVENS. I am having a hard time finding those trails up our way. I am just wondering where we are going to get more money to make it viable with this rapid increase in our population.

Have you seen projections, just incidentally and parenthetically, of the impact on the Alaska coast area, which is primarily your area, from the OCS development?

Mr. MCGUIRE. No; I have not.

Senator STEVENS. You should see the number of people they have projected who are to come to that area.

Mr. MCGUIRE. We are well aware of this. Of course, our assessment looks at the same problem nationwide. We anticipate a great increase in that kind of recreation.

Senator STEVENS. More than 50 percent of the impact has come to Alaska. I don't think we are getting more than 50 percent of the funding. Of course we discussed that before.

These trails and visitor accommodations, we will have some forest fires I think.

Mr. MCGUIRE. We agree.

Senator STEVENS. With regard to recreation—I don't mean malicious forest fires. I mean forest fires started in recreational facilities and trails. People who are inclined to camp out in the middle of forests are the ones who cause fires.

## DISPERSED RECREATION

What is this dispersed recreation? What does that mean?

Mr. MCGUIRE. We look at recreation demands in the future in several ways—as demands for hiking, birdwatching, camping, and so on. We believe that the proper role for the Federal Government would be to emphasize the dispersed side of the program and leave developed recreation, to some extent, to private capital. That is, private campgrounds, private winter sport resorts, and that sort of thing.

Senator STEVENS. When I was 30 I would have thought that was a great idea. I was a backpacker and laughed at that sort of thing. But I don't quite seem to get around to it now. It seems to me what you are saying is you emphasized the forest visitor who does not require any capital investment to accommodate. Is that right?

Mr. MCGUIRE. It means that we put more emphasis on providing the dispersed facilities, but we would continue to provide developed facilities where private capital cannot do the job. We anticipate to an increasing extent that private campgrounds, private resorts, and so on, will become viable economic adventures for the private sector.

Senator STEVENS. Within the forests?

Mr. MCGUIRE. Within the forests.

Senator STEVENS. Have you had any example of that working yet?

Mr. MCGUIRE. Yes. In the lower 48 I am sure you have noticed private campgrounds springing up across the country. They are able to charge enough to make a go of it. We have to be careful on the Federal side not to provide such competition that those private ventures cannot work.

The same thing is true with winter sports development. The demand for winter sports is increasing rapidly. Private development in the usual case on Federal land, seems to be working quite well.

## PRIVATE RECREATION ASSISTANCE

Senator STEVENS. How do you propose to deliver the increased recreation support to private landowners as recommended in the report?

Mr. THORNTON. This would be handled as a part of the cooperative forest management program. We would work through State foresters to provide management service for owners who wish to develop recreation opportunities. This assistance would be coordinated with efforts of other agencies. This outdoor recreation assistance would be a part of an expanded multiple use assistance effort that would enable State forestry agencies to more adequately provide a full range of landowner services.

Senator STEVENS. Do you coordinate that with the Bureau of Outdoor Recreation? Are you both in the same business?

Mr. MCGUIRE. Yes. We have coordinated with the Bureau of Outdoor Recreation, because the Bureau in particular provides Federal

funds to help the States proceed in some of these developed facilities which are increasingly being provided by the States through State parks and roadside stops and that kind of thing.

#### RECREATION DEMANDS

Senator STEVENS. I am told this RPA report indicates recreation spending would nearly quadruple by 1980. Yet the request there is only \$65.8 million for recreation in 1977 which is roughly the same as 1976. If this is so, the spending has to double by 1980. There will be a tremendous crunch in 1978 and 1979.

Mr. MCGUIRE. That is correct.

Senator STEVENS. Mr. Secretary, how are we going to settle that? How can we possibly put off, if we have a goal by 1980, how can we put off to the last 2 years of that period?

Secretary LONG. Mr. Chairman, it is obvious that there are some risks there in terms of accommodating increased demand on the National Forest System for recreation.

The Chief has said, and the planning contemplates, that there will be an increased role for the private sector. You probably will have to develop paralleling incentive programs and other means of encouraging this investment. As you know, it has been a risky investment for private capital in many instances in the past. With increased demands and higher volumes it is reasonable to expect that incentives will be there initially for private capital to come into this area in greater volume than it has in the past.

It also may be necessary for the Forest Service and others who have responsibility in recreation to assist in some incentive approach, but there is a risk that the increased demand will outstrip our ability to accommodate. We would not want to suggest that we, at this point, have all of the resources put together to meet this increase.

#### EMPHASIS ON DISPERSED RECREATION

Senator STEVENS. Our experience has been if we have the recreation center that the dispersed recreation almost takes care of itself. You sound like you are going to put your emphasis on the dispersed recreation. As I take it, that means isolated cabins and trails. What really does it mean, Chief?

Mr. MCGUIRE. It means the development of the items you mentioned, particularly trails. There are all kinds of dispersed recreation opportunities. Self-guided nature trails is a good example.

We need places where people can camp in remote areas in less developed campgrounds.

Senator STEVENS. Unless you have a center, at least up our way, those don't come. Is it different in the forest areas in the south 48? Do you use the peripheral cities for your centers? Is that what you are saying?

Mr. MCGUIRE. We think the same way you do. In most cases, one must conceive of a recreation complex. Typically, when a family goes out to a forest for recreation purposes the family members have different desires. The teenagers may want one thing, the small children another, and the grandparents something else. You cannot look at an individual facility like a trailer or a campground in isolation. You

look at the whole complex of opportunities and try to satisfy a variety of needs. This is true also in Alaska.

Senator STEVENS. Are you moving in this dispersed recreation in the 1977 budget?

Mr. MCGUIRE. The 1977 proposal does really not make much change. It is about the same level as last year.

Senator STEVENS. But emphasis is changed in that report?

Mr. MCGUIRE. The report emphasizes that for the long run the Forest Service put more of its investment into the dispersed facilities. It does not mean we are going to stop building the developed, concentrated facility by any means. It is just that we will change our emphasis to some extent.

Senator STEVENS. Have you attempted any incentive program to attract private capital, matching fund, proportionate capital contribution, or anything to develop the recreation center concept?

Mr. MCGUIRE. We have done quite a bit of this in the case of winter sports. The Soil Conservation Service provides technical assistance to private landowners. We have been looking, with other agencies, at the possibility of advising private landowners about recreation opportunities. Also, the States are heavily involved in this and the Bureau of Outdoor Recreation as well.

#### COMMUNITY PROGRAMS

Senator STEVENS. The RPA report also goes into human and community development and speaks of increasing costs for such things as urban and community forestry and recreation as well as the YCC. How much in total is requested in 1977 by the Forest Service for those purposes?

Mr. MCGUIRE. This is a little complicated to explain. The Forest Service requested a total of \$88,769,000 for fiscal year 1977 in the human and community development system. This included \$43,315,000 for YCC, \$7 million for rural community fire protection, \$2 million for urban and community forestry, \$26,600,000 for Job Corps, \$4 million for manpower programs, \$5,802,000 for technical development research, and \$52,000 for economic research.

Because of the need for overall restraint in Federal spending to help control inflation, the President's recommended RPA program for human and community development in fiscal year 1977 is \$36,454,000. This includes \$26,600,000 for Job Corps, \$4 million for manpower programs, \$5,802,000 for technical development research, and \$52,000 for economic research.

Senator STEVENS. Is it expected that the Forest Service will carry the load for urban and community programs? Do you think that belongs in your program?

Mr. MCGUIRE. The Forest Service is responsible only for our share of the total load for urban and community programs as they relate to forestry and related activities. We believe we do have a role in these programs and are committed to use forestry activities to help improve the welfare of minorities, economically depressed, elderly, handicapped, and youth of America.

Senator STEVENS. Your goals for the YCC program don't seem to be a great deal higher than the current program we funded. Do you believe that the program is approaching its optimum level?

Mr. MCGUIRE. The program levels proposed in the RPA reflect our desire to operate the YCC program at the maximum authorized limit of \$60 million. The optimum program level may be much higher and probably should be determined by objective study and analysis in coordination with the Department of the Interior, the States, and territories.

#### OUTLAYS

Senator STEVENS. In your 1977 budget, turning to program financing, you have an increase of \$19 million in budget authority for forest protection and utilization, but you have a \$33.2 million drop in outlays. Can you explain that to us?

Mr. PETERSON. The decrease in outlays is a function of the estimated unpaid obligations we will have at the end of the transition period versus those at the end of the fiscal year. We expect to have \$87 million in unpaid obligations at the end of fiscal 1975. At the end of the transition quarter we will have substantially less obligations; therefore, the outlays are less. It is just a rate of paying bills, really. It does not affect the program level.

Senator STEVENS. Is it a scheduled delay in paying the bills?

Mr. PETERSON. No, sir, not a scheduled delay.

#### UNDELIVERED ORDERS

Senator STEVENS. What about the undelivered orders in 1977, \$30.7 million. Is that very odd?

Mr. PETERSON. We buy most of our materials during the summer season. So July 1 we have a lot of undelivered and unpaid orders. At the end of September we would have less materials going into the winter season; we would have very few bills unpaid.

Senator STEVENS. What made it go up so high? I am talking about the undelivered orders, \$30.7 million.

Mr. PETERSON. That is just our estimate of the change in undelivered orders at the end of the transition period versus those at the end of 1977.

Senator STEVENS. All right. There is no intentional delay again?

Mr. PETERSON. No, sir.

#### INSECT AND DISEASE MANAGEMENT

Senator STEVENS. Let's clarify the proposed reduction in the insect and disease control activity. The justification says this is a reduction in the contingency fund, pending a review of present Federal-State participation. Is this the review requested by the conference committee last year?

Mr. THORNTON. Yes; that is correct.

Senator STEVENS. The committee just yesterday received a letter from the Department transmitting a report on that review. We will include the letter in the record at this point.

[The letter follows:]

DEPARTMENT OF AGRICULTURE  
OFFICE OF THE SECRETARY  
WASHINGTON, D. C. 20250

March 15, 1976

Honorable Robert C. Byrd  
Chairman, Subcommittee on Interior  
and Related Agencies  
Committee on Appropriations  
United States Senate  
Room 1116, Dirksen Senate Office Building  
Washington, D. C. 20510

Dear Senator Byrd:

Here is the report in response to the directive of the conferees on the 1976 Interior Appropriation Bill regarding the Forest Service Insect and Disease Control Program. The directive instructed us to "study alternative cost-sharing arrangements where private and State lands are involved, with the intent of reducing the Federal share below 50 percent on State and private lands." The conferees stated that "Federal funds should be viewed as a catalyst to increase the contribution of the non-federal sector in the control of forest insects and diseases."

Making choices on which control projects to undertake and at what cost-share rate are difficult. The authorizing legislation is very broad.

We have just recently developed a set of criteria that we believe will help us make wise choices in selecting control projects to undertake. The criteria fall into four categories; each must be satisfied before a project can be accepted. A complete explanation is included as an enclosure to this report. Briefly the four categories are:

- There must be a Federal role to be served.
- The project must be biologically sound.
- The project must be environmentally sound.
- The project must be economically efficient.

The report identifies and discusses several alternatives to the present 50 percent cost-share rate now used in virtually all control projects. In preparing this report, we have been hampered by a lack of data, by the unprecedented combination of severe outbreaks in recent years, and by the changing environmental constraints that apply to control activities.

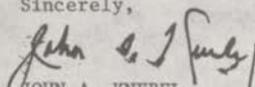
Any alternative cost-sharing arrangement, other than a flat-rate applied "across-the-board" should be based on specific, readily identifiable factors. With that in mind, as well as the direction from you to reduce the Federal share below 50 percent on State and private lands, we suggest the following. The Federal share could be calculated on the basis of landownership involved in the control area: For non-federal public lands - 25 percent of the total per acre cost of control projects; for lands owned by forest industry - 33 1/3 percent; for lands in non-industrial private - 50 percent. The above approach would have several advantages:

1. The catalytic effect of a Federal contribution would be tailored to more closely match the amount of incentive needed to motivate these three broad classes of forest landowners.
2. The Federal share could be readily calculated on the basis of acreage of known landownership within the control area. Federal payment for control costs would be determined on a precise and factual basis that could be applied consistently nationwide.
3. This approach would be generally consistent with thinking in many States facing the same problem of deciding how much the people of the State should contribute vs. how much should be paid by the landowners whose forest resources are protected. For example in the 1975 spruce budworm control project in Maine the source of the funding for the 50 percent of the control costs not paid for with Federal funds was about \$777,000 appropriated by the State legislature from the General Fund and about \$2,332,000 generated by a special "budworm" tax on forest landowners in the general areas involved. Some States pay all of the non-federal share from the general funds; in some States all of the non-federal share is paid by the landowners involved.

The report enclosed provides additional information that may be helpful in considering the approach outlined above.

We appreciate and share your concern that funds appropriated for insect and disease control are used effectively and efficiently. An identical letter is being sent to Congressman Yates.

Sincerely,

  
JOHN A. KNEBEL  
Under Secretary

Enclosure

## PROPOSED COST-SHARING PLAN

Senator STEVENS. Briefly, the covering letter recommends support for non-Federal insect and disease control at varying levels for public and private lands. Could you enlarge on that?

Mr. THORNTON. Essentially, we are suggesting a variable cost-sharing rate that can be objectively administered, yet provide the relative amount of financial incentive necessary to motivate the various types of forest landowners whose lands might fall within the boundaries of a suppression project. Under this proposal the acreage within a proposed suppression project would be stratified into three broad classes of forest lands—non-Federal public lands, industrial lands, and nonindustrial private lands.

The cost of treating each of these landownership classes would be determined by multiplying the appropriate acreage by the per acre cost of treatment. The Federal share would be calculated for each class—that is, 25 percent of the cost for non-Federal public lands, 33½ percent of industrial, and 50 percent of nonindustrial private, with the total Federal share being equal to the sum for the three classes. The State would then provide the appropriate matching funds to obtain total financing for the project. Other approaches to reducing the Federal share may also be considered in planning for fiscal year 1977 and beyond. We have not made a final determination or recommendation to the Department.

Senator STEVENS. If the reduced Federal support were adopted, what impact would this have on budgeting for this program?

Mr. THORNTON. The total number of dollars needed would probably remain about the same. A number of projects are not approved each year because there have not been enough suppression dollars and priorities have had to be established for project financing. Reduced Federal support would permit the Forest Service to participate in a larger number of projects that currently satisfy our new project approval criteria, developed in concert with the staff of the Department and the Office of Management and Budget. The reduction in the Federal share for any particular cooperative project could be significant, depending upon ownership patterns and/or other factors.

## CONTINGENCY FUND

Senator STEVENS. What is the present balance in the contingency fund?

Mr. THORNTON. At this time we have not had to use any of the \$10 million contingency fund. Because last year's supplemental appropriations request for spruce budworm, southern pine beetle and mountain pine beetle was not received until mid-June, many of these funds were available for use during this fiscal year. Hence, we have not had to request release of contingency funds as early this year as is normally required.

Proposals for major spruce budworm, western spruce budworm, gypsy moth, and additional mountain pine beetle, and southern pine beetle suppression projects are currently being finalized. If approved, these projects alone will require approximately \$8 million from the contingency within the next month. In addition, we anticipate a need for about \$1 million for suppression projects in the transition quarter.

This would also be covered by the contingency funds available in the fiscal year 1976 budget.

Senator STEVENS. What contingency levels do you believe would be effective for the current programs and for the recommended reduced Federal participation?

Mr. THORNTON. While it is difficult to predict the future course of insect and disease outbreaks, it appears that the present size of the contingency fund is sufficient for the current program. Project funds already allotted in fiscal year 1976 plus cost estimates of proposals still being finalized for the remainder of the fiscal year and transition quarter indicate that approximately \$12.5 million will be needed if all projects are approved for financing. The funds contained in the contingency plus those made available last June in the supplemental appropriations request should be adequate for financing these needs.

We are hopeful that the contingency proposed for fiscal year 1977 will be adequate for financing project needs at a reduced level of Federal participation. Again, we need to point out the difficulty in making accurate forecasts of insect and disease project needs more than several months in advance.

#### CONSTRUCTION

Senator STEVENS. We also touched on your reduced construction budgets earlier. The obligation program for facilities is down about \$22 million and the total road construction appears to be down about \$25 million in program level. Why are you cutting back?

Mr. MCGUIRE. Constuction obligations have been curtailed to help constrain Federal expenditures.

Senator STEVENS. What impact is this reduced obligational level going to have on your facility construction? Don't you already have a sizable backlog?

Mr. MCGUIRE. There is a backlog of facility construction which includes recreation, fire and administration, and research construction projects. The impact of reduced obligational levels for construction is to defer the construction of facilities that are needed to serve the increasing numbers of visitors to the national forests, to achieve the program objectives of land management activities, to provide research laboratories and auxiliary facilities, and to reduce water pollution from existing facilities.

Senator STEVENS. Please provide a summary of your facility construction backlog for the record. Also supply details on the projects you requested that were denied by the Department and OMB.

Mr. MCGUIRE. We will be glad to do that, sir.

[The information follows:]

## CONSTRUCTION BACKLOG

The backlog of facility construction projects which includes recreation, fire and administrative, research support and pollution abatement facilities would be a formidable list. For example, the identified fire and administrative facilities total needs are 145 projects totaling nearly \$19 million.

Research facility construction backlog totals \$29,252,000.

The backlog of recreation construction and reconstruction needs within the National Forest System is estimated to be over \$200 million. These projects are of four types: replacement of facilities that are worn out and uneconomical to operate; upgrading of facilities, particularly water and sanitation systems, to meet recently established standards; completion of stage-construction facilities at reservoir projects; and provision of new facilities at reservoirs and locations close to people.

We have attempted to identify the level of program needed to cope with the backlog in the recommended RPA program. This approach allows us to concentrate on the highest priority projects at a manageable pace. The validity of need for facilities depends not only on the condition or deterioration of present facilities, but on the level of programs legislated.

The following projects were requested for fiscal year 1977, but are not included in the budget.

State	Recreation Use		Amount (in thousands)
	National Forest	Project	
Colorado	Arapaho-Roosevelt	Chambers Lake Campground	\$18
	Arapaho-Roosevelt	Red Feather Lake Campground	54
Idaho	Sawtooth	Glacier View Campground	200
	Sawtooth	Red Fish Lake VIS Center	34
	Sawtooth	Sawtooth NRA Campground	255
	Sawtooth	Sawtooth NRA Headquarters and VIS Exhibits	178
	Targhee	Snake River Float Boat Camp	43
Oregon	Mount Hood	Timberline Retaining Wall	304
	Mount Hood	Timberline Day Lodge	316
Utah	Ashley	Flaming Gorge NRA	330
	Ashley	Flaming Gorge NRA Water System	268
Wyoming	Bridger-Teton	Wind River Recreation Facility	123
Total .....			<u>2,123</u>

Construction of Fire, Administrative and General Purpose Improvements

Idaho	Idaho Panhandle Clearwater	Horr Flat barracks and cooks building	\$375
		Clearwater Powell barracks	148
Montana	Flathead	Flathead Spotted Bear barracks and cooks building	307
Idaho	Challis	Little Creek Guard Station--Sewerage System	16
		Seafoam Guard Station--Sewerage System	16

<u>State</u>	<u>National Forest</u>	<u>Project</u>	<u>Amount</u> <u>(in thousands)</u>
Idaho	Boise	Communications Link	8
	Salmon	Lookout Construction and Design	3
California	Eldorado	Land Purchase Nursery	380
	Eldorado	Lumberyard Ranger Station, Water and Sewer	105
	Modoc	Adin Ranger Station	86
	Sierra	High Sierra Vicinity Water and Sewer	322
	Six Rivers	Orleans Ranger Station Dwelling	402
	Six Rivers	Orleans Ranger Station Office	124
	Klamath	Forks of Salmon Study Project Ranger Station	105
	Regionwide	Regionwide	Radio Replacement
South Carolina	Francis Marion-Sumter	Enoree Work Center	206
Arkansas	Ouachita	Fourche Storage Shed	24
South Carolina	Francis Marion-Sumter	Wambaw Pole Shed	45
Minnesota	Chippewa	Blackduck Ranger Station Office	61
	Chippewa	Deer River Warehouse	13
Michigan	Ottawa	Bessemer Office Addition	30
Regionwide	Regionwide	Radio Replacement	22
West Virginia	Monongahela	Bartow Office	256
New Hampshire	White Mountain	Saco Administrative Site Addition	102
Alaska	Regionwide	Regional Communication	133
	Regionwide	Juneau Work Center Shop	118
	Tongass	Kake Dwelling	50
	Tongass	Petersburg Crew Quarters	128
	Chugach	Kodiak Comb. Building	179
	Chugach	Kodiak Trailer Pads	55
	Tongass	Kake Comb. Building	153
	Tongass	Petersburg Scout Bay Ramp	35
Total .....			<u>4,160</u>

Research Construction

<u>Area</u>	<u>Project</u>	<u>Amount</u> <u>(in thousands)</u>
Moscow, Idaho	Laboratory addition, including headhouse and greenhouse	\$2,831
Provo, Utah	Headhouse and greenhouse	142
LaGrande, Oregon	Chemical storage and service building	117
Madison, Wisconsin	Replacement elevator	91

<u>Area</u>	<u>Project</u>	<u>Amount</u> (in thousands)
Pineville, Louisiana	Work utilization research building	86
Manitou Experimental Area, Colorado	Livestock fencing	<u>30</u>
Total .....		<u>3,297</u>

Pollution Abatement

<u>State</u>	<u>National Forest</u>	<u>Project</u>	<u>Project No.</u>	<u>Amount</u> (in thousands)
Wyoming	Medicine Bow	Fox Park Central Disposal	82-03053	\$200
Colorado	Arapaho	Ptarmigan Ranch	97-04992	59
Wyoming	Bighorn	Middle Fork Campground	116-01182	61
South Dakota	Black Hills	Bear Gulch Campground	122-01352	40
South Dakota	Black Hills	Grizzly Bear Campground	124-04990	45
Wyoming	Medicine Bow	Medicine Bow Vaults	133-03051	140
Colorado	White River	White River Vault Toilets	158-03023	175
Colorado	San Isabel	Salida District Vaults	404-03076	197
Colorado	Pike	South Meadows Trailer Dump Station	419-03067	35
Colorado	San Juan	Cayton Campground	436-05504	44
California	Stanislaus	Highway 4 Central Disposals	471-03527	166
Michigan	Hiawatha	Hiawatha Central Disposal West	284-08506	230
Missouri	National Forests in Missouri	Buick Central Disposal	311-4901	230
		Non-point monitoring, evaluation, and design, Servicewide		<u>1,322</u>
				<u>2,944</u>

## ROAD CONSTRUCTION

Senator STEVENS. It looks like you took about a \$14 million cut in your original request for the road construction program. Does this restrict the program to timber access roads?

Mr. McGUIRE. The road construction program does place heavy emphasis on supporting the timber system. The difference between the budget level and the recommended level of road construction is mostly in the level of purchaser construction versus construction by appropriated funds.

Senator STEVENS. Will the reduction have any impact on timber harvesting?

Mr. McGUIRE. Not directly. In the timber system, road construction is programmed to serve timber sale preparation and harvest administration needs. Since most road construction is done by the timber purchaser after a sale is awarded, construction lags behind sale preparation by from 1 to 3 years. The reduction of sale preparation to the 10.4 billion board foot level would not, therefore, reduce construction proportionately.

Senator STEVENS. We would also like to have the details of your road construction requests that were turned down in the budget process.

Mr. McGUIRE. The RPA recommended program calls for \$158,596,000 road construction and reconstruction, as opposed to \$114,804,000 in the 1977 budget. This covers construction of timber roads as well as those for recreation and other primary purposes. We will furnish the breakout for the record.

Most of the timber road construction funds are for engineering costs of purchaser construction—surveys, plans and supervision—as well as for supplementation of purchaser construction and bridges. The depressed lumber market in the last 2 years has necessitated higher supplemental costs in order to sell timber in some areas, particularly the West.

The recommended program puts more emphasis on construction of timber roads by appropriated funds, but would also increase construction of all-purpose roads. Recreation benefits accrue from all-purpose roads, of course.

[The information follows:]

## ROAD CONSTRUCTION

Road	Fiscal year 1977 budget	Recommended program
Timber .....	\$106,504,000	\$137,610,000
Recreation .....	3,200,000	3,344,000
All purpose .....	5,100,000	17,642,000
Total .....	114,804,000	158,596,000

## DIRECT CONSTRUCTION POLICY

Senator STEVENS. From the budget development table it appears the Forest Service wanted to emphasize direct construction instead

of timber purchaser road building, and the OMB reversed this. What is behind this policy divergence?

Mr. MCGUIRE. Purchaser-built roads require less appropriated funds, but impose requirements on the timber purchasers that are often difficult for them to meet. Also, in a low lumber market, timber sales often cannot carry the costs of roadbuilding.

We feel there needs to be a better balance between purchaser construction and appropriated fund construction. In our long-range planning, through the RPA, we have set as a goal a ratio of 7 miles of purchaser construction to 3 miles of appropriated fund construction. The fiscal year 1977 budget contains a ratio of 11.6 to 1. The recommended program for fiscal year 1977 has a ratio of 9 to 1, which we feel is a reasonable interim guide.

Senator STEVENS. Which roads are more costly in the long run?

Mr. MCGUIRE. Purchaser road construction appears to be less expensive when looking at the simple cost of miles constructed. The prudent operator concept however, requires the purchaser to build only the standard of road necessary to remove the timber from his particular sale, and to provide adequate environmental protection measures. Roads built from appropriated funds are designed to serve all resources in a given area for the life of the facility. The same purchaser-constructed road would usually require high reconstruction costs with each ensuing timber sale. Over time, roads built by timber purchasers are usually more costly.

#### COOPERATIVE FIRE CONTROL

Senator STEVENS. As mentioned earlier, you are proposing a \$10.8 million reduction—nearly 50 percent—in cooperative fire control as the first step in phasing out the program. Your justification states that the program will be terminated in fiscal year 1978. How was this decision reached, and why?

Mr. THORNTON. The proposal is to phase out the grant portion of the program only. After grants are terminated in fiscal year 1978, the Federal role would be one of coordination, training, development and procurement of equipment, and providing a nationwide fire prevention campaign. This decision was based on the fact that the Federal share currently amounts to only 14.6 percent of total program expenditures with State, private, and county funds making up the other 85.4 percent. Since the program began in 1924, it has been very successful in building a cooperative fire control organization. We view the role of protection of non-Federal land from wildfire as primarily a State and private responsibility. The Federal Government will continue to provide technical support.

Senator STEVENS. Do the participating States and local governments agree with your premise that they should take over the entire expense?

Mr. THORNTON. No; they do not agree. State and local governments are faced with constrained budget situations. Some believe that there should be a continuing Federal role because of interstate and regional concerns.

Senator STEVENS. How does this recommendation jibe with your RPA goal of increasing State and private support?

Mr. THORNTON. The Resources Planning Act recommends funding levels for the current year and subsequent years up to 2020. These levels for Clarke-McNary section 2 assistance to States in fire protection, are based upon the State's fire protection analysis of 1974. The RPA figure for fiscal year 1977 is \$24.194 million.

Senator STEVENS. With the cooperative C-M 2 cut back 50 percent, what effect will this have on rural Alaska in view of the fact that the State passed a \$2.5 million bond issue to build fire protection facilities in support of this program?

Mr. THORNTON. This reduction will have a significant effect on the ability of the State fire control personnel to take over protection responsibility for State and private lands as planned. One consequence is that the State will not be able to take over maintenance of fire access roads as planned. Generally the level of resource protection will be reduced.

#### POSITIONS FOR FOREST PROTECTION AND UTILIZATION

Senator STEVENS. Chief, I am told this budget shows an addition of 154 positions for forest protection and utilization, and yet the consolidation details show no increase in positions.

Mr. PETERSON. We project our positions in terms of the amount of money that we have in each account based on man-years per \$1 million. We do not expect to change the total number of positions, but we will deploy them somewhat differently because of the way the funding is projected for 1977.

Senator STEVENS. This is a difficult budget to understand. I am told in almost every area you show a considerable drop in actual employment, in total number of man-years, and in total employment although the Service in this case shows an increased employment.

We will put that personnel data in the record at this point.

[The information follows:]



UNITED STATES DEPARTMENT OF AGRICULTURE  
 FOREST SERVICE

 Program Development and Budget  
 January 26, 1976

## Position Summary in the 1977 Budget Estimates

	Fiscal Year 1975		Fiscal Year 1976		Fiscal Year 1977		Increase or Decrease				
	Actual		President's Budget		President's Budget		1977 over 1976				
	All	Other	All	Other	All	Other	All	Other			
<b>Appropriations</b>											
<b>Forest Protection and Utilization:</b>											
Forest Land Management	10,546	15,156	25,702	10,644	12,024	22,668	10,790	19,709	146	-3,105	-2,959
Forest Research	2,695	778	3,473	2,775	641	3,416	2,786	655	3,441	11	14
State and Private Forestry Cooperation	196	37	233	228	27	252	225	27	252	-3	-
Total, Forest Protection and Utilization	13,437	15,971	29,408	13,647	12,992	26,336	13,801	9,601	23,402	154	-3,091
<b>Construction and Land Acquisition</b>											
Forest Roads and Trails	473	335	808	528	200	728	528	200	728	-	-
Construction and Operation of Recreation Facilities	4,635	5,035	9,670	4,434	4,159	8,593	4,434	4,259	8,693	-	100
Assistance to States for Tree Planting	42	61	103	95	100	195	95	100	195	-	-
Expenses, Brush Disposal	501	1,634	2,135	569	1,407	1,976	569	1,507	2,076	-	100
Other Forest Service Permanent Appropriations	5	5	10	4	6	10	4	6	10	-	-
Consolidated Working Fund	23	586	609	217	1,318	1,535	164	738	902	-53	-580
Working Capital Fund	691	667	1,358	691	333	1,024	725	643	1,368	34	110
Cooperative Work (Trust Fund)	1,429	2,609	4,038	1,554	2,217	3,771	1,554	2,317	4,071	-	300
Youth Conservation Corps	44	99	143	53	261	314	53	261	314	-	-
Flood Prevention, SCS	179	300	479	167	165	332	105	65	170	-62	-162
Watershed Works of Improvement, SCS	18	6	24	14	5	19	13	5	18	-1	-1
River Basin Surveys and Investigations, SCS	66	24	90	72	18	90	70	16	86	-2	-4
Watershed Planning, SCS	26	11	37	28	6	34	27	4	31	-1	-2
Resource Conservation and Development, SCS	5	2	7	4	-	4	4	-	4	-	-
Salaries and Expenses, ARS	10	21	31	9	20	29	9	20	29	-	-
Forestry Incentives, ASCS	2	-	2	2	-	2	-	-	2	-	-2
Oregon and California Grnt Lands, BLM	22	20	42	28	15	43	28	15	43	-	-
Land and Water Conservation Fund, BOR	200	92	292	200	84	284	200	84	284	-	-
Manpower Training Activities, DOL	734	289	1,023	699	304	1,003	699	304	1,003	-	-
Federal-Aid Highway Trust Fund, DOT	180	285	465	148	214	362	85	154	239	-63	-60
<b>Grand Total, Forest Service</b>	22,741	28,055	50,796	23,176	23,725	46,901	23,180	20,500	43,680	4	-3,225

UNITED STATES DEPARTMENT OF AGRICULTURE  
 FOREST SERVICE

 Program Development and Budget  
 January 26, 1976

End-of-Year Employment in the 1977 Budget Estimates

	Fiscal Year 1975			Fiscal Year 1976			Fiscal Year 1977			Increase or Decrease		
	Actual			President's Budget			All			1977 over 1976		
	Permanent	Other	Total	Permanent	Other	Total	Permanent	Other	Total	Permanent	Other	Total
<b>Appropriations</b>												
<b>Forest Protection and Utilization:</b>												
Forest Land Management	8,982	15,156	24,138	9,047	12,024	21,071	9,161	8,919	18,080	114	-3,105	-2,991
Forest Research	2,568	778	3,346	2,611	641	3,252	2,622	655	3,277	11	16	25
State and Private Forestry Cooperation	163	37	200	205	27	232	202	27	229	-3	-	-3
Total, Forest Protection and Utilization	11,713	15,971	27,684	11,863	12,892	24,755	11,965	9,601	21,566	122	-3,091	-2,969
Construction and Land Acquisition	394	335	729	344	200	544	344	200	544	-	-	-
Forest Roads and Trails	3,927	5,035	8,962	3,863	4,159	8,022	3,923	4,239	8,162	60	100	160
Construction and Operation of Recreation Facilities	34	61	95	75	100	175	75	100	175	-	-	-
Assistance to States for Tree Planting	15	3	18	13	1	14	13	1	14	-	-	-
Expenses, Brush Disposal	463	1,634	2,077	474	1,407	1,881	474	1,507	1,981	-	100	100
Other Forest Service Permanent Appropriations	4	5	9	3	6	9	3	6	9	-	-	-
Consolidated Working Fund	20	586	606	148	1,318	1,466	71	738	809	-77	-580	-657
Working Capital Fund	549	667	1,216	544	533	1,077	578	643	1,221	34	110	144
Cooperative Work (Trust Fund)	1,259	2,609	3,868	1,284	2,217	3,501	1,284	2,517	3,801	-	300	300
Youth Conservation Corps	41	99	140	77	261	338	77	261	338	-	-	-
Flood Prevention, SCS	140	300	440	126	165	291	64	65	129	-62	-100	-162
Watershed Works of Improvement, SCS	14	6	20	11	5	16	10	5	15	-1	-	-1
River Basin Surveys and Investigations, SCS	56	24	80	62	18	80	60	16	76	-2	-	-4
Watershed Planning, SCS	22	11	33	22	6	28	21	4	25	-1	-2	-3
Resource Conservation and Development, SCS	5	2	7	3	-	3	3	-	3	-	-	-
Salaries and Expenses, ARS	9	21	30	9	20	29	9	20	29	-	-	-
Forestry Incentives, ASCS	2	-	2	2	-	2	-	-	-	-	-	-2
Oregon and California Grant Lands, BLM	21	30	41	26	15	41	26	15	41	-	-	-
Land and Water Conservation Fund, BOE	164	92	256	165	84	249	165	84	249	-	-	-
Manpower Training Activities, DOC	611	289	900	618	304	922	618	304	922	-	-	-
Federal-Aid Highway Trust Fund, DOT	147	285	432	118	216	332	147	154	201	-71	-60	-131
<b>Grand Total, Forest Service</b>	<b>19,590</b>	<b>28,055</b>	<b>47,645</b>	<b>19,850</b>	<b>23,725</b>	<b>43,575</b>	<b>19,850</b>	<b>20,500</b>	<b>40,350</b>	<b>-</b>	<b>-3,225</b>	<b>-3,225</b>

## PERSONNEL CEILING

Senator STEVENS. But was there a preordained personnel ceiling you were playing with in order to get there on this one?

Mr. MCGUIRE. Mr. Chairman, we can provide some details on the changes. There are a variety of reasons. For example, we are comparing, to some extent, apples and oranges.

Senator STEVENS. From your summary of positions it is apparent that any permanent position gains in your direct annual program are being offset almost entirely by reductions in permanent programs. What impact will this have overall on your programs?

Mr. PETERSON. Most Forest Service employees perform multifunctional work. It is difficult to estimate the assignment of permanent positions to a specific activity. The assignment of permanent positions to the gains in our direct annual program reflects the best estimate of supervision requirements. This has no overall impact on our programs.

Senator STEVENS. You have 20,500 equivalent positions, which is 3,000 below 1976 and 8,000 below 1975. You tell us in terms of man-years the reduction is 333 permanent positions and 1,865 part-time equivalents for 1976.

We must ask not only what impact does this have on your ongoing programs but what effect will it have on the ambitious goals advanced in your RPA report. Was there a budget ceiling on positions that was imposed before the money figures were derived?

Mr. PETERSON. The other employment reduction for fiscal year 1977 reflects the count date of September 30 rather than the June 30 count date. By September 30 the number of other employees on the rolls have started to decline since the field season in many areas is almost over. In terms of man-years the reduction in permanent and part-time equivalents reflects the program reductions in several activities we administer. For example, in fiscal year 1976 we were involved in the title X—job opportunities program. Nothing is included for fiscal year 1977 since we have no way of knowing whether this program will be continued. This has no overall impact on our ongoing programs. Additional positions and man-years would be needed for the goals included in the RPA. We have a permanent full-time end-of-year ceiling, Mr. Chairman, and we have an all other end-of-year ceiling. The figures that you are referring to reflect man-years of employment reduction in 1977. That is primarily because we had the manpower programs last year that added a lot of man-years to our work, plus the fact that with a relatively stable budget and costs going up you finance less man-years.

But the primary drop was because of manpower funds that we had in 1976 that we do not project going into 1977. Title X funds that were mentioned earlier, \$32 million was in those funds.

Senator STEVENS. I don't think I have my answer yet, so I will try again. Let me ask this question, Mr. Secretary.

Secretary LONG. One part of the questions was, "Was there a ceiling established," and the answer is "yes."

Senator STEVENS. What was it?

Mr. MCGUIRE. 19,850 permanent full-time positions.

Senator STEVENS. Is that a reduction?

Mr. MCGUIRE. Yes.

Senator STEVENS. How much?

Mr. PETERSON. It is the same as 1976.

Senator STEVENS. I see. You say you cranked this money in and you find out how many people are employable, and the result is you have less people because costs go up and salaries are up. I understand that.

But it also looks like there is a ceiling in here that brought about another reduction.

Secretary LONG. The ceiling for 1976 is the same as it is for 1977 for permanents.

Senator STEVENS. All right. That breaks down to two things, permanent and other employment. Are both the same as in 1976?

Mr. MCGUIRE. The answer is "yes," Mr. Chairman, for the permanents. The "all other" ceiling was reduced by 3,225.

Senator STEVENS. Was any part of the personnel reduction that is reflected in this budget brought about because of employment ceiling imposed on the Forest Service by the Department or OMB?

Secretary LONG. Yes.

Senator STEVENS. What was that?

Secretary LONG. We are trying to reflect that in our answers here. There was a ceiling established both for permanent full-time and other.

Mr. PETERSON. The man-years reduction is tied to actual program reductions. The other employment reduction reflects the count date of September 30 for employees on the rolls. It is a target ceiling imposed by the administration.

Senator STEVENS. If 1976 and 1977 are the same, why do we have a reduction in personnel and the reduction in man-years?

Mr. PETERSON. Let's take it in two parts. Permanent full-time employees are the same in both years, 19,850. The all other ceiling was 23,725 in 1976 and projected to be 20,500 at the end of 1977. Our estimated reduction in the other-than-full-time people reflects the count date of September 30 rather than a June 30 count date. By September 30, the number of other employees on the rolls has started to decline since the field season in many areas is almost over. It also reflects the reduction in manpower programs; for example title X of the job opportunities program.

Senator STEVENS. So, then you are absorbing the pay costs and other increases in part-time employment for 1977, is that right?

Mr. PETERSON. We will have less part-time employment in 1977, yes.

#### MAINTAINING 1976 MAN-YEAR LEVEL

Senator STEVENS. Does any part of that absorption and that reduction reflect 1976 costs, the ones I talked about a minute ago? We did not get a supplemental for 1976 pay costs, so you are absorbing part of those into the 1977?

Secretary LONG. The answer has to be yes. We have some details—

Senator STEVENS. Why don't you give us for the record what it would cost to maintain 1976 employment levels, both in terms of permanent and other positions at the man-year level that was involved in 1976.

Secretary LONG. We will provide that.

Senator STEVENS. So that we have employment commensurate with the programs, and the program level for 1976 and 1977. Can you do that?

Secretary LONG. Yes, sir. We will provide that.

[The information follows:]

It is estimated that an additional \$7,802,000 (\$4,464,000 permanent full-time and \$3,338,000 other than permanent full-time) would be needed to maintain the 1976 man-year levels of employment in fiscal year 1977. The estimate does not include funds allocated or advanced such as, title X—job opportunities program, to the Forest Service to perform work for other Federal agencies.

#### PERSONNEL COSTS

Senator STEVENS. Can you give me an idea of roughly how much it would cost? Do you have any idea what the factor is?

Mr. PETERSON. Yes, sir.

Mr. MCGUIRE. The problem we have is something like this. When we do not get permanent ceilings, we employ part-time people. At the present time we require about 26,350 positions. Since our ceiling is only 19,850, the other 6,500 positions come out of the part-time or "other" category. They are still being paid for, however.

Senator STEVENS. I understand that. What you are really saying is this is another way to get around absorbing these costs, and it may be.

I have a series of questions here, Mr. Secretary and Chief. I hope this will go into some of our provincial items. Rather than prolong it here, since they involve questions in particular with regard to Alaska and the Land Claims Settlement Act, you can bring us up to date on some of the individual items in Alaska.

#### FOREST INVENTORY

I am pleased to note that after a number of years of budget increases for work in Alaska which fell through at the end of the year, the 1976 add-ons for Alaska were kept in the 1977 budget. These 1976 add-ons involved wildlife research in Juneau and timber management research and watershed research at Fairbanks. The Forest Service research program was strengthened in several areas due to these add-ons.

How do you propose to respond to your added responsibilities under the Resources Planning Act in terms of conducting a continuing inventory of all forest-related resources? Is the increase in the President's 1977 budget adequate to do this job in the required time?

Mr. BUCKMAN. The proposed program required by the Resources Planning Act includes acceleration of the timber resource inventory and initiating inventory of all other forest-related resources in order to meet the resource assessment portion of the act. The increase in the President's 1977 budget accelerates the inventory but is not sufficient to provide major amounts of new data in time for the 1979 assessment.

#### ALASKA ANADROMOUS FISH HABITATS

Senator STEVENS. Do you have plans for accelerating research on impacts of forest management activities on anadromous fish habitats

in Alaska? What increase is indicated in the President's 1977 budget for this project?

Mr. BUCKMAN. The RPA program, within the framework of habitat research on threatened, endangered and sensitive species, calls for accelerated research on the impact and amelioration of forest management activities on anadromous fish habitat in Alaska and the Pacific Northwest States. The President's 1977 budget does not contain an increase to accelerate the anadromous fish habitat research.

#### ZIESKE VERSUS BUTZ

Senator STEVENS. As you are aware, Judge James A. von der Heydt of the Alaska Federal District Court has handed down his final judgment in *Zieske v. Butz*. The judge's order enjoins the Forest Service from selling trees in an area comprising the northern tip of Prince of Wales Island, Tongass National Forest, which are not dead, large, or physiologically mature. The order further enjoins Ketchikan Pulp Co. from cutting trees in the subject area unless such trees have been individually marked as dead, large, or physiologically mature prior to cutting.

I have been told that most of the trees in the area affected by the suit would qualify as large, mature, or dead.

Given the stipulation in Judge von der Heydt's order, do you plan to permit logging in the litigated area? If so, when do you anticipate logging in the litigated area could begin?

Mr. MCGUIRE. We anticipate that we will be able to log at least a portion of the planned volume in the litigated area. However, substantial field work, including a stand-by-stand examination, will be required to determine just how much volume can be sold during the current operating period. It is possible to begin logging operations immediately in the litigated area because there are approximately 11 million board feet already cut that were exempted from the court order.

Senator STEVENS. What effect, if any, will Judge von der Heydt's decision regarding clearcutting have on the independent timber sale program?

Mr. MCGUIRE. The court's order is confined to a specific area on Prince of Wales Island. This area is wholly within the 50-year Ketchikan Pulp Co. timber sale. No other sales are planned within that area. There is, of course, the possibility that future litigation could extend this decision to other areas on the Tongass National Forest, resulting in a reduction of the independent sale program.

Senator STEVENS. Is your budget adequate to meet increased workloads that will be brought about as a result of the *Zieske* case? If not, how much more money and people will you need in fiscal year 1977 to keep the timber sale program in the affected area at an optimum level?

Mr. MCGUIRE. To comply with the court's order only in the area affected by the *Zieske* case, we estimate the cost to be \$150,000 this first year and \$65,000 per year thereafter. This would require four additional people. At the present time neither these funds nor personnel are available. This area, of course, represents only about 1 percent of the timber on the Tongass. Without these funds and

personnel we would have to divert funds and personnel from layout on the Ketchikan Pulp Co. timber sale.

#### RECREATION PROGRAM IN ALASKA

Senator STEVENS. Is your recreation program keeping pace with increased demands due to the Alaska pipeline impact and increased tourism?

Mr. NELSON. The proposed funding of the Alaska region will not permit us to keep pace with anticipated recreation demands on the Chugach National Forest. The recreation program budget includes \$1,182,000 for operation, maintenance, and administration activities; \$25,000 for constructing a sanitation facility at the recently opened Prince of Wales road; and \$225,000 for construction and maintenance of trails and roads. Some maintenance of existing recreation improvements will have to be deferred. Some camp and picnic sites will likely need to be closed to permit better performance on those remaining open. The situation on the Chugach, however, is hardly more critical than for the remainder of the Alaska region, or, for that matter, the entire national forest system.

#### PORTAGE GLACIER

Senator STEVENS. What is the status of your plans to upgrade or replace the visitor facilities at Portage Glacier? And, isn't it true that these facilities are feeling the pipeline impact?

Mr. NELSON. Something must be done at Portage as our present structure is no longer adequate. The dramatic growth of Anchorage and Alaska tourism is causing the facility to create a negative rather than a positive Alaskan experience. Over 250,000 people visited the Portage Glacier Recreation Area last year.

A replacement for Portage is not in the fiscal year 1977 budget. Recreation funds have not kept pace with increasing demands, making it impossible to design major new facilities and request funds for replacement. To approach the project properly, we would need about \$150,000 for planning and design to develop a sound proposal for your consideration in a subsequent year. This amount would provide for the necessary preliminary interpretive planning and design of exhibits and audio visual programs which must precede actual building design. It would also cover engineering studies at the site and architectural design of the proposed building.

#### FACILITIES IN ALASKA

Senator STEVENS. The Alaska region has had some increase in programs and personnel. Are additional facilities needed to support these program impacts?

Mr. MCGUIRE. Yes; this is partially reflected in our requested funding for several facilities in Alaska as listed in the fiscal year 1977 budget request. This adds to ongoing construction projects in fiscal year 1976 and the transition quarter and anticipates additional projects to be proposed in the future.

## IMPACT OF ANCSA

Senator STEVENS. What has been the impact of the ANCSA on the management of the Tongass National Forest?

Mr. MCGUIRE. We estimate that about 1 million acres of national forest lands will be conveyed to Native corporations. This conveyance involves timber sale areas under contract, many special use permits and major changes in national forest management plans and programs. As provided in section 15 of ANCSA, substitute timber for existing timber sale contracts on selected lands has been and will be provided. The interests of contractors and permittees will be protected.

Easements for access to national forests must be located and identified for the Bureau of Land Management and justified. An estimated 450 miles of common property lines between national forest and Native corporation lands must be posted. Such posting will be vital to the management programs developed by the Native corporation, as well as to continued management of the national forest.

## ALASKA LUMBER AND PULP CO.

Senator STEVENS. You are doing all the timber sale layout work on the Ketchikan Pulp Co. sale and the Pacific Northern timber sale. What action are you taking on the Alaska Lumber and Pulp sale?

Mr. NELSON. In 1975 we started taking over the road survey and design work on the Alaska Lumber and Pulp Co. sale. It is our intent to assume full layout of harvest areas, road survey, and design beginning July 1, 1976.

## ROADS AND TRAILS

Senator STEVENS. In lieu of timber purchaser construction, what road construction projects are there that will provide the opportunity to do advance roading to timber access?

Mr. MCGUIRE. If funds were available, we could construct \$14,500,000 of roads and bridge projects that would qualify as advance roading.

Senator STEVENS. What bridge construction projects have you identified in your current planning?

Mr. MCGUIRE. Currently we have plans for 25 bridges that, if built, would provide access to over 35 million board feet of timber. The approximate cost of these bridges is \$4,500,000.

Senator STEVENS. What trail construction projects have you identified in your current planning?

Mr. NELSON. We are continuing our priorities for trail construction, which give emphasis to completion of the two national scenic trails designated by Congress in the National Trails Act of 1968. These are the Appalachian Trail, from Maine to Georgia, and the Pacific Crest Trail, from Canada to Mexico through Washington, Oregon, and California. Our plan had been to complete the Appalachian Trail by the end of fiscal year 1977 and the Pacific Crest Trail by the end of fiscal year 1979; however, these targets must be eased a bit. The second priority goes to candidates for national recreation trail designation, and third, to other heavy use trails.

## STUMPAGE RATES

Senator STEVENS. Last spring the Alaska region announced substantial stumpage rate increases. Last July I participated in a meeting with Assistant Secretary Long, Senator Gravel, the Forest Service, and Alaska industry in an effort to have developed an appraisal system that would more closely relate to the current market situations and consequently result in fairer stumpage rates.

At this meeting it was agreed that the Forest Service would review their appraisal data and investigate possible changes in their appraisal system. The industry agreed to a timber sale moratorium of 90 days to give the Forest Service an opportunity to develop an updated appraisal system.

What is the current status of the appraisal review project that was begun last year?

Mr. NELSON. The appraisal review project resulted in the development and implementation of a quarterly updating system in Alaska. In February of this year, two cost accountants—one from Portland, Oreg., and one from Washington, D.C.—were in Alaska to assist in collection of more current logging costs and other data. Two timber specialists from the Washington staff will be in Alaska the first week of April to check on appraisal procedural matters.

Senator STEVENS. The industry has indicated to me that the update system developed following the July 1975 meeting fails to take into account the actual economic situation facing the timber purchasers. Accordingly, there have been no timber sale purchases in Alaska for almost a year. Do you feel a stumpage appraisal system that meets the criteria we discussed with Secretary Long will be established in time to meet a 1976 independent sale program of over 400 million board feet?

Mr. NELSON. The updating procedure you discussed with Assistant Secretary Long has been developed and implemented. However, there are still some disagreements on a number of details. We believe that the controversy will be much nearer to resolution when the data for the first quarter of 1976 are received, and the procedural details are clarified. If the controversy is resolved soon it would be possible to meet the 1976 independent sale program, provided that no other lawsuits of the Zieske type are filed to contest the program.

## ALASKA RESOURCE INVENTORY

Senator STEVENS. I have a letter from the University of Alaska that asks questions with regard to the timetable for completing the task in Alaska on the reassessment of renewable resources, and a letter from the president of the Alaska Federation of Natives asking for a timetable on when they can expect the same type of results.

I would appreciate it if you would answer those for the record.

[The information follows:]

UNIVERSITY OF ALASKA  
OFFICE OF THE PRESIDENT  
FAIRBANKS, ALASKA 99701

March 8, 1976

MAR 18 1976

The Honorable Ted Stevens  
U. S. Senate  
411 Russell Building  
Washington, D. C. 20510

Dear Ted:

It has come to my attention that the Resources Planning Act of 1974, which calls for periodic reassessment of the extent of all renewable resources (forest, range, outdoor recreation, and fish and wildlife) within the entire U. S., has a completion date for Alaska on 1 January 1977. Apparently, the inventories are to be conducted under the leadership of the U. S. Forest Service. In Alaska, alone, this would be a herculean task which would certainly overwhelm the Forest Service officials assigned here.

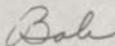
I realize that the Federal-State Land Use Planning Commission has done a good job with some aspects of this inventory by compiling existing resource data from whatever source. But we both realize that the gathering of such data in a state as vast and complex as Alaska only points up the fragmentary and incomplete nature of our present state of knowledge. We have yet to learn enough to make effective but compatible use of timber and wildlife on our forest lands, for example, not to mention the forest-spawning stream problem, the extent and use of forage by livestock and game species, or the utilization of our rangelands and forests for recreational purposes.

Studies leading to this inventory are underway, I know, for the University is involved in some of this work with the Forest Service. However, the surface is barely scratched under the terms of the Resources Planning Act, and I am concerned that Alaska will get the short end of the stick if it has to meet such a stringent time table with the man-power and resources now applied to the project. Thus, two questions come to my mind which your Office can readily secure answers to:

(1) What is the Forest Service's real timetable for completing this job, and (2) is the present level of funding for Alaska adequate to accomplish such a major and worthwhile undertaking. Should the answer of the latter question be negative, I am of the opinion that the Act will do us little good and perhaps even some harm.

Best regards,

Sincerely,



Robert W. Hiatt  
President

## ALASKA FEDERATION OF NATIVES, INC.

670 WEST FIREWEED LANE  
ANCHORAGE, ALASKA 99503  
PHONE (907) 274-3611

March 9, 1976

The Honorable Ted Stevens  
United States Senate  
411 Russell Building  
Washington, D. C. 20510

Dear Senator Stevens:

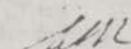
The Alaska Native Claims Settlement Act has resulted in providing our Federation with a large and complex land base that urgently needs resource information. The Alaska Federation of Natives is concerned that detailed inventories of the wildlife, minerals, timber, and forage resources are not available to us. All we have are those inventories which were done on a very broad basis.

In order to make effective land-use plans which will provide some answers for managing our lands, more intensive surveys are necessary. I understand that the recently passed Resource Planning Act is a vehicle designed to carry out planning needs on forested and range lands throughout the United States.

The Forest Service has been given the responsibility for the inventory of all renewable resources in Alaska. When can we expect some results? There is an immediate need for detailed resource surveys in the Yukon and South-west Regions of Alaska. Effort needs to be exerted in accomplishing a complete resource inventory of the entire State.

I would appreciate your assistance in providing me with some idea on what we might expect in the near future in order to better proceed with our land-use planning efforts.

Sincerely,



Sam Kito, Jr.  
President

## FOREST SERVICE COMMENTS ON LETTER FROM UNIVERSITY OF ALASKA

*Question.* What is the Forest Service real timetable for completing the Alaska inventory?

*Answer.* The Forest Service estimates the completion of a limited inventory and assessment of Alaska's timber resources by 1979. The inventory and assessment of the other resources—water, wildlife, range, and recreation—at the current rate of inventory will depend almost entirely on existing data for 1979 report.

*Question.* Is the present level of funding for Alaska adequate to accomplish such a major and worthwhile undertaking as the inventory and assessment of Alaska's renewable resources?

*Answer.* The present level of funding is inadequate to provide an inventory and assessment of the quality needed to backstop key land use decision in Alaska. The RPA envisions a \$450,000 increase by 1980 for work in Alaska.

## FOREST SERVICE COMMENTS ON LETTER FROM ALASKA FEDERATION ON NATIVES, INC.

*Question.* The Forest Service has been given the responsibility for the inventory of all renewable resources in Alaska. When can we expect some results?

*Answer.* The first inventory of Alaska's renewable resources is expected to be completed by 1979. However, at the current rate of effort, this is likely to be a reconnaissance rather than an in-depth inventory.

## QUESTIONS SUBMITTED BY SENATOR BYRD

Senator STEVENS. Also, the Chairman has not asked all of his questions, so we will ask Mr. Dyer to submit those to you. He has, as you know, considerable interest in his area of the country.

Senator Byrd is involved elsewhere and could not chair today's hearing. He has asked me to state to you that he will have some specific questions for his area as I have for mine which we are submitting, but we would like to have them for the record, if we may.

Do you have anything further you would like to add to the record here today? Either of you gentlemen?

Mr. McGUIRE. We would be happy to provide answers to those questions, Mr. Chairman. I want to thank you for hearing our report.

## IMPACT OF "ZIESKE" CASE

Senator STEVENS. We do appreciate your problems. On the *Zieske* case, I am of the opinion, however, that we had better devise some way to avoid litigation by some formalized input from the organizations that are involved, realizing, of course, that someone has to make the decisions. We now have the strange circumstance of having a one-economy area in southeastern Alaska—the fishing is gone, the tourism is gone.

We have a proposal to move the capitol, as you know, where the viable economy has been the Forest Service area. Now I am told that there will be about 3,500 jobs on the line by July 1 unless something is worked out that would result in complete destruction of the southeastern Alaska economy. So I am sure we would want to work with you. Our Governor has indicated the same thing.

I hope that we can find a way around it. I am not sure we can wait for this debate on the Humphrey or Randolph bill. The decision has to be—am I incorrect? Don't you have a cutting cycle starting July 1?

Mr. McGUIRE. That is correct. We share your concern about these problems.

Senator STEVENS. That is the directed one, 3,500 people. The indirect employment in terms of services, schoolteachers, et cetera, will be very hard to compute, but it must be very large.

Chief MCGUIRE. I am sure it is. We know the seriousness of this situation. We do have a process now for hearing all sides under the National Environmental Policy Act, but unfortunately some people don't take full advantage of that. Maybe we have some shortcomings here in not giving them adequate opportunity. We have talked to some of the visitors from Alaska who have been in here this week. We have assured them that we will meet with them and listen to their side and consider their suggestions.

Senator STEVENS. I hope we can work something out. I appreciate your cooperation in that regard. Thank you, Mr. Secretary; thank you, gentlemen.

#### ADDITIONAL QUESTIONS

The committee has a series of additional questions which, in the interest of time, we will submit to you to be answered in writing for the record.

We also have the questions from Senator Byrd that I mentioned earlier, as well as questions submitted by Senators McGee, Montoya, and Fong, all to be answered for the record.

[The questions and answers follow:]

## SUBMITTED COMMITTEE QUESTIONS

Recreation

Question.--Your \$4.4 million program increase for recreation in part is to reopen closed campgrounds and restore operating seasons, according to the justification. Give us the details, please. How many campgrounds will be affected?

Answer.--Because of budget constraints, 130 recreation sites were closed for the entire season in fiscal year 1976 and the season of operation was restricted at another 350 sites. The additional funds will allow us to reopen about 50 sites for a major portion of the operating season and to restore some season at 250 sites.

Question.--\$1.3 million of the increase is for improving services and facilities at concessioner sites. Generally, what kind of work is planned and in what areas?

Answer.--The increase in the administration of concessions and recreation use permits will allow closer attention to public health, safety, and welfare at concessioner developed public recreation sites. Emphasis will be placed on securing compliance with clean water and other applicable environmental standards. Continued effort will be made to attract private developers to provide needed developed and dispersed recreation facilities and opportunities within the National Forest System. Generally, all concessioner sites will be affected; however, those with severe deficiencies and those with heaviest public use will receive priority attention.

Question.--What is your estimated backlog in campground operation and maintenance?

Answer.--For years, in an effort to keep facilities open for use, available funds have been used in day-to-day operation and cleanup activities. Major maintenance, rehabilitation, replacement, and necessary upgrading to meet new standards have been deferred. Correction of the accumulation of these deferred needs will cost about \$97 million.

Question.--Your justification states that requested FY 1977 funds will continue visitor services "at a minimum service level." What does that mean, exactly?

Answer.--Visitor services continued in FY 1977 "at a minimum service level" means that only the most basic operation and maintenance of existing orientation--interpretation services can be provided to the public. We must curtail the variety of visitor services to be provided by the reduced number of interpretive personnel. It necessitates a reduction in the hours per week and weeks per year that these services can be provided to the public. The needed updating of orientation--interpretation media cannot be accomplished.

Wildlife and Fish Habitat Management

Question.--Your \$13.5 million request for wildlife and fish habitat management includes a \$754,000 increase for coordination of habitat work within the Forest Service. What does that involve?

Answer.--Almost every program or activity conducted within the National Forest System lands affects one or more of the many species of fish or wildlife that inhabit these areas. The impacts of such activities as timber harvesting, reforestation, road construction, domestic livestock grazing, oil exploration and development, and watershed rehabilitation, can have drastic effects upon fish and wildlife habitats. However, with careful coordination in the planning and on-the-ground phases of all resource activities, these programs can generally be conducted without serious impact. Examples of coordination include:

- (1) Coordinating fish and wildlife needs into timber activities to minimize adverse effects and, where possible, to enhance the habitat.
- (2) Working with other State and Federal agencies when water projects are planned to minimize and, where possible, improve fish and wildlife habitat.
- (3) Designing, constructing, and managing roads to cause the least adverse impact to fish and wildlife habitats, and the greatest benefits to the public in its enjoyment of fish and wildlife resources.

Question.--Tell us about the cooperative habitat restoration and development, for which you are requesting an additional \$921,000. With whom do you cooperate?

Answer.--Restoration and development of habitat on National Forests includes improvement projects such as seeding, permanent wildlife habitat openings in dense forest and brush types, spring developments, small dams, water guzzlers, pothole construction, nest boxes, debris and barrier removal from streams, construction of fish spawning beds, and fish shelter development.

Habitat improvement work is accomplished on National Forest System lands in cooperation with the State conservation agencies responsible for protecting wildlife and regulating the harvest of game populations. The Forest Service cooperates with other Federal and State agencies and private organizations.

Question.--What are your specific responsibilities in endangered species work? Is the \$2.5 million request sufficient to meet them?

Answer.--Section 7 of the Act (Interagency Cooperation) directs all Federal Departments and Agencies to insure that actions authorized, funded, or carried out by them do not jeopardize the continued existence of endangered or threatened species, or result in destruction or modification of habitat critical to such species.

The Act set up the preservation of endangered and threatened species as

a high land management priority. It will necessitate:

- (1) An accelerated program to define and locate the critical habitats for all listed species.
- (2) Careful review of plans for all action programs within these areas.
- (3) Such modification of these plans as is necessary to insure protection, and where possible, enhancement of the species and their habitats during implementation of the plans.

The \$2.5 million request is sufficient to meet National Forest System responsibilities for endangered fish and wildlife species. Funding to support responsibilities for the protection and management of plant species is not included.

#### Rangeland Management

Question.--Why is less than one-fourth of your \$4.4 million increase for rangeland management earmarked for range improvements?

Answer.--The range improvements item of \$956,000 includes only the costs of construction for fencing, water developments and other livestock control improvements that are structural in character. Other portions of the increase will be used for range betterment.

About \$500,000 is budgeted for improvement of land in unsatisfactory ecological condition. In addition to actual investments in range improvements, planning and administration are required to properly locate and install these improvements. This planning work involves inventory, environmental analysis and coordination with other resource uses of the National Forests and National Grasslands.

Question.--How much of the increase is for planning?

Answer.--Over \$500,000 will be spent for planning the use of the range resource. This planning will include coordination of grazing use with other uses of the National Forest System, work to be accomplished on range validation areas, range improvement and management, and for planning to expand grazing of the National Forest System commensurate with national needs as expressed in the Resources Planning Act program document.

#### Soil and Water Management

Question.--Your net \$1.7 million increase for soil and water management includes reductions of more than \$2 million in key elements of the program. Why?

Answer.--We feel the program for soil and water management reflects a proper balance between activities. Emphasis is placed on preventing or minimizing possible adverse impacts of other resource management

activities on the basic resources of soil and water. In the long run, the need for capital investment type work to restore degraded watershed lands should be reduced. Where an identified need for this type of work exists and a plan for the work has been prepared, the proposed program is funded to accomplish the highest priority work.

Question.--What is involved in the \$3.1 million increase for "providing scientific knowledge" in support of other activities?

Answer.--The increase will provide additional capability to manage National Forest System lands and resources in a manner which protects or enhances their productive capacity and maximizes their contribution to a quality environment. Emphasis will be on increasing the quality of basic resource inventories essential to effective short- and long-range planning; providing for surveillance and monitoring to assure that soil and water quality standards are met; and interpreting basic soil and water inventory data and preparing resource management prescriptions for use by the land managers.

Question.--On the surface it would appear you are cutting back the essential soil and water management functions to help pay for increased technical support to other activities. Is that a fair appraisal?

Answer.--The program reflects a shift in emphasis rather than a cutting back of essential soil and water management functions. For example, the funding shown will allow us to provide soil and water management services to nearly all other resource management activities. Previously, our soil and water scientists were providing these services to less than 70 percent of project activities.

In part, a slow down or deferment of new water resource development construction starts by other agencies has provided us an opportunity to shift program emphasis. Although we will be performing construction liaison or making environmental analyses at about 130 water development projects or proposals, this is about 100 projects less than in fiscal year 1976. Also, the slowdown in new construction starts has allowed us to maintain our schedule for providing soil stabilization and reservoir management activities at constructed or under construction projects.

The program as shown also provides for restoration of the most severely deteriorated lands which constitute sources of excessive sediment production and rapid runoff. The specific treatment measures to be applied on the site, to restore favorable watershed conditions, are determined by a multidisciplinary analysis of site conditions and capability. The watershed restoration planning is a function of soil and water science.

The emphasis on providing Forest Service land managers the scientific advice and technical direction they need to make land use decisions will help avoid land management problems. Both water quantity and quality will be improved and the productive capacity of the soil resource will be maintained or enhanced.

Minerals Area Management

Question.--You are requesting a \$1.5 million increase for minerals management, mainly for coordination and environmental work. Are your mineral leasing activities increasing?

Answer.--Yes, especially owing to mineral industry efforts to locate and develop new energy resources. The increases are mostly in exploration for oil, natural gas and geothermal resources and in development of coal and uranium deposits.

Question.--In what particular activities will the additional positions be needed?

Answer.--Most Forest Service employees perform multi-functional work. It is difficult to estimate the assignment of permanent positions to a specific activity. The assignment of permanent positions to programs where there are increases or decreases reflects the best estimate of requirements. The increases offset the decreases because the total positions is the same for both fiscal years.

Question.--Your biggest single minerals increase, nearly \$500,000, is for planning and support for other activities. Please explain this increase.

Answer.--The additional funds are needed because of pressures for more land use and resource developments. Geologic data are increasingly needed to choose sites for, and properly design, a wide variety of proposed engineering works; to locate and develop subsurface water and mineral aggregate construction materials used in public improvements; and to interpret geologic phenomena for National Forest visitors. More mineral resource data are needed to properly judge the merits of land exchange proposals and of proposals to close (withdraw) lands to mineral development, as well as to integrate, to the fullest extent possible, mineral developments with ongoing and planned use or protection of timber, water, grazing, recreation, wildlife and fisheries resources.

Question.--Less than 2 percent of your minerals request is for surface mining and reclamation. What kind of work are you doing, and why is the effort relatively small?

Answer.--Our surface mining and reclamation work involves development of prescriptions for handling and disposing of overburden, waste rock and tailings from rock and gravel pits, and from excavations made to explore for and develop hardrock minerals located under the 1872 mining law. It also includes necessary supervision to assure compliance with those prescriptions. The funding needed is relatively small because the actual costs of reclamation are now required to be borne by the mineral developer. There are, however, cases where disturbed lands were "orphaned" (not reclaimed) because a legal basis for requiring the operator to reclaim did not exist when the disturbance was made. As funds are available, such lands are treated, as an interim measure, to stop erosion and water pollution from degrading adjacent lands. Ultimately, full reclamation will be necessary to restore such lands to productivity for other National Forest purposes.

National Fire Plan

Question.--Your justification for the \$3.5 million increase in forest fire protection includes partial implementation of the National Fire Plan. Please tell us about this plan and what the future costs will amount to.

Answer.--The implementation of the National Fire Plan was used as the basis for the fire protection input into the Renewable Resource Program (RPA). The recommended program projects that the National Fire Plan will be fully implemented by 1990. The increased funding needed to implement this plan will be offset by a subsequent reduction in the suppression costs of catastrophic fires and resource damages. Fire protection will be provided to 207 million acres and resource damages will be reduced by concentrating on a reduction of burned acres within the high resource value areas. The plan proposes to reduce the acreage burned from the current level of 212,000 acres per year to about 100,000 acres per year.

The principle objectives of the National Fire Plan are:

- (1) Provide fire management measures that will prevent fire from adversely affecting the promotion and achievement of a pattern of natural resources use to best meet the needs of people now and in the future.
- (2) Scientifically plan and implement fire management to improve the quality of land management and the environment by reducing the potential for conflagrations.
- (3) Study the needs and application of all fire use and control activities using current data, research findings, new techniques, equipment, and present day forest values unit-by-unit nationwide.
- (4) Give consideration in planning to problems, needs and resources of other protection agencies within and adjacent to the National Forest.
- (5) Form a basis for cost effective budget requests and for equitable distribution of fire management funds to regions, forests, and districts.

The recommended program for fiscal year 1977 included \$2.9 million for partial implementation of the National Fire Plan. The total cost of the plan is shown in the following table:

NATIONAL FIRE PLAN SUMMARY  
(1973 Cost Data)

<u>Item</u>	<u>Recurrent Costs</u>	<u>Percent</u>
Prevention .....	\$11,500,000	10
Detection (including detection aircraft) ...	8,500,000	7
Initial attack .....	34,500,000	31
Aircraft (initial attack and support) .....	22,000,000	18
General project (includes facilities such as lookouts and equipment such as pumper trucks) ....	17,200,000	15
Program management .....	8,500,000	7
General administration (business management support, rents, utilities, etc.) ...	12,800,000	12
Total .....	<u>115,000,000</u>	<u>100</u>

Included in the above costs are salaries, travel, etc., for 1,360 permanent full-time and 13,027 seasonal fire management personnel. This compares with 1,184 PFT and 8,847 seasonal employees in fire protection in 1975.

These costs are for the fire protection phase of the overall fire management program. The use of prescribed fire to accomplish resource management objectives is borne by the benefitting function. Natural fuel reduction and fuelbreak construction will be additional costs.

Question.--Where will the 21 additional positions be utilized in this activity?

Answer.--Most Forest Service employees perform multi-functional work. It is difficult to estimate the assignment of permanent positions to a specific activity. The assignment of permanent positions to programs where there are increases or decreases reflects the best estimate of requirements. The increases offset the decreases because the total positions is the same for both fiscal years.

Geometronics

Question.--Your geometronics program is nearly doubling as you schedule implementation of the Utah Center. What will the going program level be?

Answer.--The going program level includes the following:

	<u>1976</u>	<u>1977</u>
Resource Inventory Primary Series		
(1:24000 scale quadrangles, each) .....	700	1,691
General Management, Forests, Secondary Series .....	13	47
Ortho Photos (models) .....	- -	1,200

This will be accomplished by utilizing the primary map data plates and resource inventory information acquired on the National Forests.

Our expectations of the change to the new center in terms of payoff are:

- Standardization of map products for a multilayer system minimizing expenditures for operating highly specialized equipment by utilizing multiple work shifts.
- Full cooperation with other mapping agencies in utilizing standard procedures and products that can be shared by all agencies in areas of common interest.
- Maximum flexibility to meet impact of fires, insect infestations, and to support special requests.
- Provide economical map output in a responsive, consistent, and timely manner.
- Reduced costs to individual program and activity areas.

#### Mapping

Question.--This program is similar to those of Geological Survey and the Bureau of Land Management. Are these efforts coordinated?

Answer.--The maps prepared by the Forest Service are special use maps designed to satisfy two criteria:

- (1) Utilize bases produced by the U. S. Geological Survey.
- (2) Satisfy the requirements of the resource manager and the many regulations governing the management of these resources, such as the Forest and Rangeland Renewable Resources Planning Act of 1974, the pollution abatement program, and others.

The Forest Service mapping program is closely coordinated with the Geological Survey program to utilize their bases--1:24,000 scale 7 1/2-minute quadrangle--or to produce a product so it contributes to the Geological Survey national program.

All Forest Service maps are derivatives of Geological Survey standard products and consist of additional layers reflecting special needs. Other land management agencies follow similar mapping programs and procedures.

#### Special Uses

Question.--You want a \$772,000 increase and 10 more positions for special uses. Why is this program expansion needed at this time?

Answer.--The increase is needed to improve the standards of administration of special uses with emphasis on mitigation of long-term environmental impacts. The increase is needed at this time because of the impacts on National Forest System lands and resources caused by the energy crisis and the attendant need to protect the quality of air and water. Many land uses are associated with coal development in the western United States, as well as gas from Alaska to the lower 48 States and its distribution therein. Additional impacts are created by the need to transmit electrical energy and support mineral extraction and processing operations.

Question.--Your receipts from special use permits are estimated at \$2 million in fiscal year 1977. Why isn't it possible to increase these revenues?

Answer.--There are only two ways to increase total special use permit receipts--either increase individual permit fees or authorize more permits.

Operating within the policy prescribed by the Bureau of the Budget Circular A-25 and Congressional direction in the Fees and Charges Act of August 31, 1951, the Forest Service requires payment of a fee or charge commensurate with the value of the use authorized, unless free use is indicated. Therefore, individual fees cannot be increased unless sales, appraisals, or other methods of evaluation show that the value of the use has increased.

The number of permits is controlled by the Forest Service policy of demanding a clear showing of real public need before issuance. Under this policy the increase in number of special use permits is limited to about 3 percent per year.

Question.--Generally, what are the types of permits that are issued without fees?

Answer.--Essentially, permits issued without fee fall into three categories. They are issued to other governmental agencies; the normal fee is offset by associated benefit to the National Forest System; or they are granted by other Federal agencies under their authorities which specifically provide for issuance without charge.

The Forest Service periodically reviews 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

Question.--Your \$4.6 reduction in the insect and disease control activity is attributed mainly to a reduction in the contingency fund. Why, then, are you cutting 29 positions?

Answer.--It is difficult to estimate the assignment of permanent positions to a specific activity because most of the employees perform multi-functional work. This reduction in personnel reflects the best estimate of supervision on suppression projects as related to the reduction in our insect and disease program, primarily the contingency projects.

#### Law Enforcement

Question.--Why do you need 5 additional positions in cooperative law enforcement?

Answer.--The budget presentation framework requires a listing of positions tied with proposed program levels. This increase of 5 positions reflects an estimate of supervision for the increased program. It does not necessarily mean we will add 5 law enforcement people.

Question.--What is the specific need for a program increase at this time?

Answer.--The 420 State law enforcement agencies which have entered into agreements with us are experiencing not only increased salary, equipment and operating costs, but expanding workload demands. To maintain these agreements we have to be able to pay for the services needed. We also hope to be able to enter into new agreements in approximately 45 counties which do not now have assistance for law enforcement on National Forest lands inside their boundaries. This proposed program direction is in direct accord with the President's program of combating crime through assistance to State and local officials.

#### Emergency Burn Rehabilitation

Question.--You again propose eliminating the advance authorization for emergency fire rehabilitation pending a cost-benefit study. How will that study affect your need for advance funding authority?

Answer.--The field work has been completed and the information analyzed in the Forest Service. It is now necessary to coordinate the findings with the Bureau of Land Management, the two Departments, and the Office of Management and Budget. Preliminary findings confirm the need for advance funding authority to insure the promptness essential to economical and successful emergency fire rehabilitation.

#### Travel Costs

Question.--You show a substantial \$2.4 million cut in travel. Were you over-funded in 1976? What kind of travel are you eliminating?

Answer.--No, we were not over-funded in 1976. The amount shown for travel costs for the forest land management activity is based on the relation of the dollars requested to the actual dollars available after taking into consideration changes in programs, increased salary costs, and other items of this nature. The travel object class for 1976 and 1977 shows the best estimate at the time the budget was prepared. We are constantly reviewing our travel plans to eliminate travel that is not absolutely essential to the effective conduct of business. We are eliminating travel when the matter in question can be handled by mail or telephone, minimizing the number of people who must travel for a single purpose, and limiting the attendance and minimizing participation by employees at conferences, meetings, and seminars.

Question.--Why do you need a 16 percent increase in travel for forest research at the same time you are taking a big cut in land management travel?

Answer.--The amount shown for research is the best estimate of travel requirements at the time the budget was prepared. In research, as in all other activities of the Forest Service, we undertake only the travel that is essential to the effective conduct of Forest Service business.

#### Administrative

Question.--With a budget that is emphasizing maintenance and recreation improvements, why is your lands and structures object class being reduced?

Answer.--The lands and structures object class in the forest land management activities includes such items as fixed equipment, minor construction items, landscaping and fences when obtained by contract. The costs for maintaining facilities and recreation improvements are chargeable to such other object classes as personnel, supplies and materials, and other services.

Question.--What is involved in the increase of more than \$5 million for grants, subsidies and contributions?

Answer.--We find that obligations for 1975 and 1976 have not been coded correctly to reflect the activity in this object classification. Actually there has been no substantial change.

#### Forest Research

Question.--Under your forest research account, please supply a listing of Congressional add-ons for fiscal 1976 and indicate which of these programs are continued in the 1977 budget.

Answer.--All Congressional add-ons for fiscal year 1976 are included at the same funding level in the fiscal year 1977 budget request. They are:

Trees and timber management research:	
Timber culture, Alaska .....	\$125,000
Coastal loblolly culture, South Carolina .....	150,000
Intensive management practices assessment center, Florida .....	300,000
Watershed management research:	
Eisenhower Consortium .....	300,000
Watershed management, Alaska .....	75,000
Wildlife, range and fish habitat research:	
Trout habitat, North Carolina .....	100,000
Bovine emphysema, Oregon .....	60,000
Shrub improvement, Utah .....	100,000
Range validation, Oregon .....	300,000
Wildlife and fish habitat, Alaska .....	350,000
Forest recreation research:	
Backcountry recreation, New Hampshire .....	200,000
Surface environment and mining:	
Program acceleration .....	250,000
Forest insect and disease research:	
Ohia lehua forest decline, Hawaii .....	200,000
Southern pine seed insect control, Georgia, Florida .....	150,000
Spruce budworm, Maine .....	330,000
Forest products and utilization research:	
Hardwood utilization, Wisconsin .....	50,000
Forest resources evaluation:	
Renewable resources evaluation .....	1,200,000

#### Watershed Management

Question.--How much did you spend on the "trees for human comfort in urban areas" research described on page 82 of the justification?

Answer.--The total cost to prepare this paper was \$1,500. It was requested by the Society of American Foresters for their annual meeting in New York City. The theme of the meeting was urban forestry. The paper is a review of present knowledge on the important contribution of trees to amelioration of urban microclimates.

Question.--Aren't there higher priority research projects?

Answer.--The Forest Service strives to use its expertise in tree culture, wildlife habitat, outdoor recreation and other disciplines for all members of our society. Urban forestry issues were recognized in this country as early as 1914. In 1970, the Pinchot Institute for Environmental Forestry Research was jointly established by the Forest Service and several Northeastern universities. The Institute's mission is to help improve--through a program of environmental forestry research--human environments in densely populated areas of the Northeast. Misuse and failure to fully utilize the potential benefits of forest vegetation in and around metropolitan areas have resulted in reduced quality of life for urban man. Environmental forestry research can make significant contributions toward improving the quantitative and qualitative values of metropolitan physical environments.

#### Recreation

Question.--Why is the Forest Service involved in aids to commercial campground enterprises, as described on page 87 of the justification?

Answer.--The Forest Service conducts recreation research to assist the State and private sector as well as meet Federal needs. Private campground owners depend heavily on Federal and State information as a basis for their business decisions. The information on camping trends is particularly important in decisions on the nature and type of campground expansions or new starts. Such information is also important in the development of assessments of the Nation's future needs for campgrounds.

#### Project SEAM

Question.--Few of the recent accomplishments listed under your surface mining research activity seem to be directly involved in surface mining reclamation. What are your priorities for the \$2.6 million requested for this activity in 1977?

Answer.--The Surface Environment and Mining (SEAM) Program is aimed at providing technologies to assist the Nation in meeting its energy and mineral needs without sacrificing surface resources and environmental quality. Within this broad area of responsibility, program priorities in fiscal year 1977 will include: (1) investigations of the effects of mineral exploration, transport systems and mining operations on plant, water, air, animal and esthetic resources; (2) development of methods to minimize adverse effects of mining, including methods of over-burden analysis, spoil redeposition, erosion and water pollution control, and revegetation; (3) establishment of demonstrations of effective reclamation planning methods and techniques in Montana, New Mexico, Idaho, Arizona, Utah and Wyoming; and (4) innovative methods of technology transfer to accommodate a wide variety of information and users.

From this it can be seen that scope of SEAM is broader than just surface reclamation research although this is obviously an important part of it. As implied by the accomplishments reported in 1976, SEAM deals with development, demonstrations and applications as well as research. It considers reclamation as an integral part of the whole mining system, including mining law, prospecting, exploration, mine development, production, reclamation, and management of the land after mining. It includes cooperation with Federal and State agencies and with industry to assist in implementation of related programs. Finally, it includes the essential element of information dissemination such as by the Energy Research Information System.

#### Forest Products Utilization Research

Question.--Much of the work described in your justification for the forest products utilization research activity would seem to be the province of FEA, HUD, or private industry. Why is the Forest Service involved with research into such matters as home design, safety, insulation, and paper-making processes?

Answer.-- The Forest Service mission in forest products and utilization research is to extend timber supplies through the wise use of resources. An estimated 53 percent of timber removals is manufactured into lumber and plywood and is primarily used for construction; and 35 percent of the current timber cut is used as pulp for papermaking. The largest single drain is against softwood timber supplies.

Forest Service research deals with the utilization of wood in construction not in "home design," as such. Our research ranges from fundamental studies of wood properties to the performance of wood assemblies. Our programs are conducted with public, including industry, review and some were initiated as a result of industry recommendations. At the request of industry and the National Bureau of Standards, we are studying the spread of flame and smoke production during combustion of certain wood products, including panel products used in conventional dwellings or mobile homes. For Housing and Urban Development we are developing new composite framing members from wood veneer and particleboard and providing information to increase the effectiveness of termite control measures. Finally, we are studying the most efficient way to utilize wood in accordance with specifications for insulating wood structure for energy conservation. This includes changes in wall and roof thicknesses.

Our research in pulping processes is designed to produce a new system that will yield high volumes of strong pulp (and subsequently paper) without polluting either air or water. These processes are being developed to utilize hardwood as well as softwood resources. Improved processes will lead to significant extensions of timber supplies.

## QUESTIONS SUBMITTED BY SENATOR ROBERT C. BYRD

Recreation Facilities in West Virginia

Question.--First, I ask to have included within the record a listing of all Forest Service recreation activities, within the State of West Virginia, which reflects needed improvements, the amount required to finance those improvements, and the total amounts which will be required in future years to complete these projects.

Answer.--The information follows:

U. S. DEPARTMENT OF AGRICULTURE  
FOREST SERVICE

LAND LINE LOCATION  
MONONGAHELA NATIONAL FOREST

GREENBRIER,  
RANDOLPH, TUCKER,  
POCAHONTAS, AND  
PENDLETON COUNTIES

1. <u>Appropriation Item and Projects:</u>	In F. Y. 1977 <u>Budget Request</u>	Additional Increment <u>for F. Y. 1977</u>
Land Line Location - P&M	\$40,000 *	\$110,000
2. <u>Feasibility and Desirability:</u>		
<p>The Monongahela National Forest has approximately 2,333 miles of Boundary Line and 10,249 Property Corners of which the loss of acceptable corner evidence is becoming greater every day. Thus, the purpose of this project is to perpetuate acceptable corner evidence while it still exists. This will give maximum accomplishments and long range benefits of low survey costs, along with the avoidance of such problems as trespass and claims which are encouraged by the poorly marked boundaries. There are many tracts on the Forest almost completely surrounded by private ownership.</p> <p>The boundaries of these tracts are impossible to locate and identify on the ground without a survey. This not only invites trespass, but makes it impossible to manage and protect the Forest land. With the additional funding, we will be able to work on some of the more critical problem areas reported by the District Rangers to enable them to more efficiently manage the National Forest land.</p>		
3. <u>Description of Work:</u>		
<p>Survey, locate and evaluate the existing corner evidence for 650 property corners. Perpetuate the corner evidence by monumenting 550 corners to Forest Standard. Blaze and paint 60 miles of Boundary Line to Forest Standard.</p>		
4. <u>Time Required for the Project:</u>		
This phase of the project will be completed in F. Y. 1977.		
5. <u>Estimated Costs:</u>		
For F. Y. 1977 is \$150,000.		
6. <u>Accomplishments to Date:</u>		
40 corners monumented to Standard.		
15 miles of Boundary Line marked to Standard.		
7. <u>Number of Personnel:</u>		
No additional.		

\* Tentative allocation, based on preliminary budget.

U. S. DEPARTMENT OF AGRICULTURE  
FOREST SERVICE

ARROWHEAD LAKE RECREATION COMPLEX  
SPRUCE KNOB-SENECA ROCKS  
NATIONAL RECREATION AREA  
MONONGAHELA NATIONAL FOREST

PENDLETON COUNTY  
WEST VIRGINIA

1. <u>Appropriation Item and Projects:</u>	<u>In F. Y. 1977 Budget Request</u>	<u>Additional Increment for F. Y. 1977</u>	
<b>Construction and Land Acquisition:</b>			
Development of recreation-public use area	None	\$113,000	
<b>2. <u>Feasibility and Desirability:</u></b>			
This proposed 70 surface-acre lake is a U. S. Forest Service-Soil Conservation Service cooperative project located in the Potomac River Basin, 2 miles southwest of Upper Tract, W. Va. 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 Soil Conservation Service. The SCS is currently evaluating geologic data to determine design of the structure and pool area.			
<b>3. <u>Description of Work:</u></b>			
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.			
<b>4. <u>Time Required for the Project:</u></b>			
Design and construction of dam, if geologically feasible		3 years (F. Y. 1977-1980)	
Construction of roads and recreation facilities		4 years (F. Y. 1979-1983)	
Total project could be completed in 7 years.			
<b>5. <u>First Year Cost Estimates and Items of Construction:</u></b>			
<u>Item</u>	<u>In F. Y. 1977 Budget Request</u>	<u>Additional Increment for F. Y. 1977</u>	<u>Total</u>
Detailed geologic study		\$15,000	\$15,000
Design of dam structure (F. S. cost share: 32.8%)		\$53,000	\$53,000
Planning and design of recreation facilities at Forest level		\$45,000	\$45,000
<b>6. <u>Other Costs:</u></b>			
		<u>C&amp;LA</u>	<u>FR&amp;T</u>
In F. Y. 1978 prepare final design and construction plans for recreation facilities		\$ 83,000	\$ 58,000
In F. Y. 1978 F.S. share of dam construction		\$796,000	--
F. Y. 1979-1980 construction of roads and parking			\$550,000
F. Y. 1979-1983 construction of recreation facilities		\$935,000	

7. Accomplishments to Date:

The preliminary recreation master plan has received tentative Regional Office approval. Acquisition of land needed for the project has been completed in F. Y. 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.

\* F. S. share of cost sharing items (FS-SCS Memorandum of Understanding):

1977 - Perhaps F. S. share of geologic study	\$15,000
1977 - Design of dam structure - F. S. share	\$53,000
1978 - Dam construction - F. S. share	\$796,000

U. S. DEPARTMENT OF AGRICULTURE  
FOREST SERVICE

BIG BEND CAMPGROUND  
SPRUCE KNOB-SENECA ROCKS  
NATIONAL RECREATION AREA  
MONONGAHELA NATIONAL FOREST

PENDLETON COUNTY  
WEST VIRGINIA

<u>1. Appropriation Item and Projects:</u>	<u>In F. Y. 1977 Budget Request</u>	<u>Additional Increment for F. Y. 1977</u>
a. Construction and Land Acquisition:		
Development of recreation-public use areas	None	\$11,000
b. Forest Roads and Trails Construction	None	\$ 4,000
c. Complete Footbridge Design	None	\$ 2,000

2. Feasibility and Desirability:

Big Bend Campground is located in the National Recreation Area approximately 8 miles north of Upper Tract, W. Va. 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 footbridge 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 \$62,000.

6. First Year Cost Estimates and Items of Construction:

<u>Item</u>	<u>In F. Y. 1977 Budget Request</u>	<u>Additional Increment for F. Y. 1977</u>	
		<u>C&amp;LA</u>	<u>FR&amp;T</u>
Complete footbridge design	None		\$2,000
Restore historical post office building	None	\$11,000	
Complete trail construction	None		\$4,000

7. Other Costs:

	<u>F. Y. 1978</u>
Construct footbridge (FR&T)	\$45,000

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 footbridge have also been constructed.

Trail is approximately one-third completed.

9. Number of Personnel:

No additional.

U. S. DEPARTMENT OF AGRICULTURE  
FOREST SERVICE

BLUE BEND RECREATION AREA  
MONONGAHELA NATIONAL FOREST

GREENBRIER COUNTY  
WEST VIRGINIA

<u>1. Appropriation Item and Projects:</u>	<u>In F. Y. 1977 Budget Request</u>	<u>Additional Increment for F. Y. 1977</u>
Construction and Land Acquisition:		
Improvement of recreation-public use areas	None	\$21,000

2. Feasibility and Desirability:

Blue Bend Recreation Area is located 10 miles north of White Sulphur Springs, W. Va. This recreation area was constructed in the mid-30's under the CCG 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 \$190,000.

6. First Year Cost Estimates:

<u>Item</u>	<u>In F. Y. 1977 Budget Request</u>	<u>Additional Increment for F. Y. 1977</u>
Engineering design of water system	None	\$15,000
Design and site plan for bath house	None	\$ 6,000

7. Other Costs:

	<u>F. Y. 1978</u>
Drill well and replace water system	\$77,000
Replace bath houses (2)	\$77,000
Replace 2 existing pit toilets with vaults	\$11,000
Landscaping	\$ 4,000

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.

U. S. DEPARTMENT OF AGRICULTURE  
FOREST SERVICE

HORSESHOE RECREATION AREA  
MONONGAHELA NATIONAL FOREST

TUCKER COUNTY  
WEST VIRGINIA

	<u>In F. Y. 1977 Budget Request</u>	<u>Additional Increment for F. Y. 1977</u>
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1. Appropriation Item and Projects:

Construction and Land Acquisition:

Improvement of recreation-public use  
areas

None

\$20,000

2. Feasibility and Desirability:

Horseshoe Recreation Area is located 8 miles northeast of Parsons, W. Va. 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.

4. Time Required for the Project:

This project could be completed in two years.

5. Estimated Cost:

Total project cost is \$193,000.

6. First Year Cost Estimates and Items of Construction:

<u>Item</u>	<u>In F. Y. 1977 Budget Request</u>	<u>Additional Increment for F. Y. 1977</u>	<u>Total</u>
Plan and design water and sanitation systems	None	\$20,000	\$20,000

7. Other Costs:

	<u>F. Y. 1978</u>
Construct water system	\$66,000
Construct sanitation system	\$100,000
Landscaping	\$ 7,000

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.

U. S. DEPARTMENT OF AGRICULTURE  
FOREST SERVICE

LAKE SHERWOOD RECREATION AREA  
MONONGAHELA NATIONAL FOREST

GREENBRIER COUNTY  
WEST VIRGINIA

<u>1. Appropriation Item and Projects:</u>	<u>In F. Y. 1977 Budget Request</u>	<u>Additional Increment for F. Y. 1977</u>
Construction and Land Acquisition:		
Development of recreation-public use area	None	\$47,500

2. Feasibility and Desirability:

Lake Sherwood is a 165 surface acre lake located 25 miles northwest of White Sulphur Springs, W. Va. 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 to prevent deterioration of the dam.

Repair of the dam gate must be 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:

<u>Item</u>	<u>In F. Y. 1977 Budget Request</u>	<u>Additional Increment for F. Y. 1977</u>	<u>Total</u>
Grade and repair downstream toe of dam	None	\$ 7,500	\$ 7,500
Install 2-4 unit vault toilets in West Shore Campground	None	\$30,000	\$30,000
Repair dam gate	None	\$10,000	\$10,000

7. Other Costs:

Planning and design of 50 unit campground, playground, and amphitheater site

<u>F. Y. 1978</u>	
<u>CR&amp;L</u>	<u>FR&amp;T</u>
\$20,000	\$20,000

	<u>F. Y. 1979-1980</u>		<u>Total</u>
	<u>Recreation</u>	<u>FR&amp;T</u>	
Construction of 50 unit campground, playground, and amphitheater site	\$345,000	\$218,000	\$563,000

8. Accomplishments to Date:

Campground sewage system construction is complete. The scheduling of dam gate repairs in F. Y. 1977 has been coordinated with W. Va. Department of Natural Resources.

9. Number of Personnel:

No additional.

U. S. DEPARTMENT OF AGRICULTURE  
FOREST SERVICE

SMOKE HOLE RECREATION AREA  
SPRUCE KNOB-SENEGA ROCKS  
NATIONAL RECREATION AREA  
MONONGAHELA NATIONAL FOREST

PENDLETON COUNTY  
WEST VIRGINIA

<u>1. Appropriation Item and Projects:</u>	<u>In F. Y. 1977 Budget Request</u>	<u>Additional Increment for F. Y. 1977</u>
a. Construction & Land Acquisition:		
Improvement of recreation- public use areas	None	\$55,000
b. Forest roads and trails construction		
	None	

2. Feasibility and Desirability:

The Smoke Hole Recreation Area is located in the National Recreation Area, approximately 17 miles north of Franklin, W. Va., 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 and 1963. However, little work other than routine maintenance has been done to the water system.

3. Description of Work:

Construct new road bridge across South Branch of the Potomac to serve picnic ground and swim site. Funding made available in F. Y. 1976

Reconstruct water and sanitation system to serve campground, picnic ground, and swim site, and rehabilitate existing picnic area facilities.

4. Time Required for the Project:

This project will be completed in 2 years.

5. Estimated Cost:

Total project cost is \$279,000.

6. First Year Cost Estimates and Items of Construction:

<u>Item</u>	<u>Additional Increment for F. Y. 1977</u>	
	<u>C&amp;LA</u>	<u>FR&amp;T</u>
Plan and replace all water lines and install new pressure system	\$45,000	
Rehabilitate picnic ground and swim site		\$10,000

7. Accomplishments to Date:

Aerial mapping and Engineering Site Survey needed for design of the bridge is complete. Road bridge design has been completed and the construction of the bridge is to be contracted in F. Y. 1976.

8. Number of Personnel:

No additional.

U. S. DEPARTMENT OF AGRICULTURE  
FOREST SERVICE

SPRUCE KNOB LAKE  
SPRUCE KNOB-SENECA ROCKS  
NATIONAL RECREATION AREA  
MONONGAHELA NATIONAL FOREST

RANDOLPH COUNTY  
WEST VIRGINIA

<u>1. Appropriation Item and Projects:</u>	<u>In F. Y. 1977 Budget Request</u>	<u>Additional Increment For F. Y. 1977</u>
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Construction and land acquisition:

Improvement of recreation-public use areas	None	\$81,000
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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 \$81,000.

6. First Year Cost Estimates and Items of Construction:

<u>Item</u>	<u>In F. Y. 1977 Budget Request</u>	<u>Additional Increment for F. Y. 1977</u>	<u>Total</u>
Planning and design of shoreline repair		\$ 7,000	\$ 7,000
Shoreline repair construction		\$30,000	\$30,000
Landscaping for erosion control		\$ 4,000	\$ 4,000
Riprap dam structure		\$40,000	\$40,000

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.

U. S. DEPARTMENT OF AGRICULTURE  
FOREST SERVICE

STUART RECREATION AREA  
MONONGAHELA NATIONAL FOREST

RANDOLPH COUNTY  
WEST VIRGINIA

	<u>In F. Y. 1977 Budget Request</u>	<u>Additional Increment for F. Y. 1977</u>
1. <u>Appropriation Item and Projects:</u>		
Construction and Land Acquisition:		
Improvement of recreation-public use area	None	\$18,000

2. Feasibility and Desirability:

Stuart Recreation Area is located 5 miles east of Elkins, W. Va. 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 \$167,000.

6. First Year Cost Estimates and Items of Construction:

<u>Item</u>	<u>In F. Y. 1977 Budget Request</u>	<u>Additional Increment for F. Y. 1977</u>	<u>Total</u>
Design of water system and bath house rehabilitation plan	None	\$18,000	\$18,000

7. Other Costs:

	<u>F. Y. 1978</u>	<u>F. Y. 1979</u>
Construct water system	\$72,000	
Replace two bath houses		\$77,000

8. Accomplishments to Date:

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.

U. S. DEPARTMENT OF AGRICULTURE  
FOREST SERVICE

SUMMIT LAKE RECREATION AREA  
MONONGAHELA NATIONAL FOREST

GREENBRIER COUNTY  
WEST VIRGINIA

- | <u>1. Appropriation Item and Projects:</u> | <u>In F. Y. 1977<br/>Budget Request</u> | <u>Additional Increment<br/>For F. Y. 1977</u> |
|--|---|--|
| a. Construction & land acquisition:        |   |  |
| Development of recreation-public use areas | None                                    | None   |
| b. Forest roads & trails construction      | None                                    | None   |
2. Feasibility and Desirability:
- Summit Lake is a 42 surface acre lake located 7 miles east of Richwood, W. Va. 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 22 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 of the parking lot and campground facilities has been accomplished.
- Phase 2 - Construct entrance and interior road; including parking areas for 50 cars. Construct trail around the lake and connector trails to proposed recreation sites. Construct new campgrounds (33 units) and associated water and sanitation facilities.
4. Time Required for the Project:
- This project could be completed in 2 years.
5. Estimated Cost:
- |                               |           |   |                                  |
|-------------------------------|-----------|---|----------------------------------|
| Recreation Construction total | \$130,000 | ) |                                  |
| FR&T Roads and Parking total  | \$670,000 | ) | ( financed with F. Y. 1976 funds |
6. 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.
- Engineering design of roads and parking has been completed.
- Recreation site planning has been completed.
- A construction contract for the parking lot, campground roads will be let in F. Y. 76; the campground facilities will be constructed in F. Y. 1976-1/4 - 78.
7. Number of Personnel:
- No additional.

U. S. DEPARTMENT OF AGRICULTURE  
FOREST SERVICE

BISHOP KNOB CAMPGROUND  
MONONGAHELA NATIONAL FOREST

WEBSTER COUNTY  
WEST VIRGINIA

1. <u>Appropriation Item and Projects:</u>	<u>In F. Y. 1977 Budget Request</u>	<u>Additional Increment for F. Y. 1977</u>
FR&T - Roads (Surveys and Plans)	None	\$45,000
Recreation Forest Land Management (Planning)	None	\$30,000

2. Feasibility and Desirability:

The site at Bishop Knob, located on a ridge top between the Cranberry and Williams Rivers and situated near Richwood, is an excellent area for a campground. It will help serve the needs of fishermen and other recreationists for both of these rivers which are heavily fished trout streams.

A large campground of 50 family units initially constructed would relieve roadside and streamside camping now occurring in undeveloped places along the Cranberry and Williams Rivers. Many of the most undesirable and deteriorated camp sites along the banks of these streams have been closed out because of environmental problems. A centrally located campground where resource values can be protected is much needed. The Bishop Knob Campground would only be about 4 miles away from either the Cranberry or Williams Rivers. This campground site can be expanded in the future if needed to accommodate 100 family units.

The total estimated cost for the 50 family unit campground and related facilities amounts to approximately \$710,000. Of this total, \$520,000 is for roads (FR&T) and \$190,000 is for recreation facilities (FLM).

3. Description of Work:

Phase 1 - Complete and Environmental Analysis Report for the Campground and Environmental Impact Statement if required.

Complete a topographic survey and preliminary campground site design.

Drill a test water well.

Prepare Engineering Feasibility Design Reports; includes water, sewage, roads, and solid waste.

Survey and design road system, water and sanitation facilities.

Prepare final campground site plans for approximately 50 family units.

Phase 2 - Construct campground entrance road and parking facilities, including 50 camp site spurs.

Phase 3 - Construct a 50 family unit campground with all facilities.

4. Time Required for the Project:

This project could be completed in 3 years.

5. Estimated Cost:

Recreation Planning and Construction Total	\$190,000
FR&T Roads and Parking, Planning and Construction Total	\$520,000

6. First Year Cost Estimates and Items of Construction:

<u>Item</u>	<u>In F. Y. 77 Budget Request</u>	<u>Additional Increment for F. Y. 77</u>	<u>Total</u>
Engineering Survey & Design of Roads and Parking (FR&T)	--	\$45,000	\$45,000
Design Campground (FLM)	--	\$30,000	\$30,000

7. Other CostsRecreation (FLM)FRET

## Phase 2 (F. Y. 1978)

Construct roads and parking  
facilities, including 50 camp  
site spurs

\$475,000

## Phase 3 (F. Y. 1979)

Construct 50 family unit  
campground with facilities

\$160,000

8. Accomplishments to Date:

A Site Capability Study has been completed. Preliminary Soil and Geological  
Studies have also been accomplished.

9. Number of Personnel:

No additional.

LAKE BUFFALO  
MONONGAHELA NATIONAL FORESTPOCAHONTAS COUNTY  
WEST VIRGINIA

<u>1. Appropriation Item and Projects:</u>	<u>In F. Y. 1977 Budget Request</u>	<u>Additional Increment for F. Y. 1977</u>
a. Construct and Land Acquisition:		
Improvement of water resource development facilities	None	\$27,000
Environmental Analysis	None	\$ 2,500
b. Forest roads and trails construction (FR&T)	None	\$35,000
c. Preliminary planning and design of boat launch site (FLM)	None	<u>\$ 6,000</u>
	(Total - F. Y. 1977)	\$70,500

2. Feasibility and Desirability:

Lake Buffalo, 21 acres in size, is located 5 miles east of Bartow, W. Va. 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 these facilities are to be constructed.

The addition of filter material to the toe of dam structure is urgently needed in F. Y. 1977.

3. Description of Work:

Phase 1 - Add filter material to toe of dam.

Phase 2 - Construction of roads, road bridge, parking, and dock facilities associated with boat launch site.

Phase 3 - Construction of roads and recreation facilities associated with picnic 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:

<u>Item</u>	<u>In F. Y. 1977 Budget Request</u>	<u>Additional Increment for F. Y. 1977</u>	<u>Total</u>
Add filter material to toe of dam	None	\$27,000	\$27,000
Environmental Analysis	None	\$ 2,500	\$ 2,500
Design of roads, road bridges, and parking (FR&T)	None	\$35,000	\$35,000
Preliminary planning and design of recreation facilities	None	\$ 6,000	\$ 6,000
<u>7. Other Costs:</u>		<u>C&amp;LA</u>	<u>FR&amp;T</u>
Phase 2 Design and Construction (F. Y. 1979)		\$44,000	\$237,000
Phase 3 Construction (F. Y. 1980+)		\$75,000	\$170,000

8. Accomplishments to Date:

Construction of the 12-car fisherman parking area, vault toilets, signing, and other work items associated with Phase 1 are complete.

Preliminary design of the road and road bridge for Phase 2 is complete.

9. Number of Personnel:

No additional.

U. S. DEPARTMENT OF AGRICULTURE  
FOREST SERVICE

SENECA ROCKS RECREATION COMPLEX  
SPRUCE KNOB-SENECA ROCKS  
NATIONAL RECREATION AREA  
MONONGAHELA NATIONAL FOREST

PENDLETON COUNTY  
WEST VIRGINIA

1. <u>Appropriation Item and Projects:</u>	In F. Y. 1977 <u>Budget Request</u>	Additional Increment for F. Y. 1977
Construction and land acquisition:		
Development of recreation-public use areas	None	\$125,000

2. Feasibility and Desirability:

The Seneca Rocks Recreation Complex is located in the National Recreation Area at Mouth of Seneca, W. Va. 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, archeological survey, construction and installation of exhibits, audio-visual equipment and program, and other VIS facilities.

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 is planned for completion in 2 years.

The entire recreation complex project, if financed, could be completed in 10 years.

5. Estimated Cost:

Total cost of this recreation complex project is estimated at \$4,226,000 of which \$3,253,000 is for recreation construction (C&LA) and the balance of \$973,000 is for roads (FR&T). This includes the \$670,000 in F. Y. 76 and \$275,000 for 76-1/4 as well as \$240,000 already spent on the building and \$240,000 spent on the roads and parking lot.

6. Current Year Cost Estimates and Items of Construction:

Phase I construction of the Visitor Center building, water, sewage, VIS interpretive facilities, landscaping, and other related facilities to be partially completed with F. Y. 1976 finances of \$670,000 and F. Y. 76-1/4 funding of \$275,000.

Funding for the balance of the Phase I program is being requested in F. Y. 1977 and includes completion of the Visitor Center, interpretive facilities, and an archeological survey of the Complex: \$125,000.

7. Other Costs:

	<u>C&amp;LA</u>	<u>FR&amp;T</u>
Phase I - F. Y. 1977	\$125,000	--
Phase II - F. Y. 1978	198,000	--
Phase III - F. Y. 1979	402,000	\$143,000
Phase IV - F. Y. 1980-81	787,000	402,000
Phase V - F. Y. 1982-83	253,000	83,000
Phase VI - F. Y. 1984-85	303,000	105,000
	<u>2,068,000</u>	<u>733,000</u>

Note: Phase II, 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% complete.

The contract has been awarded for installation of underground electric power for the Visitor Center and a portion of associated picnic area. Expect installation completion date of fall of 1976.

9. Number of Personnel:

No additional.

U. S. DEPARTMENT OF AGRICULTURE  
FOREST SERVICE

SPRUCE KNOB LAKES RECREATION COMPLEX  
SPRUCE KNOB-SENECA ROCKS RECREATION COMPLEX  
MONONGAHELA NATIONAL FOREST

RANDOLPH COUNTY  
WEST VIRGINIA

1. <u>Appropriation Item and Projects:</u>	In F. Y. 1977 <u>Budget Request</u>	Additional Increment <u>for F. Y. 77</u>
<u>Construction and Land Acquisition:</u>		
Development of recreation-public use areas	\$25,000	None
2. <u>Feasibility and Desirability:</u>		
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.		
3. <u>Description of Work:</u>		
<u>Phase 1:</u> Preliminary feasibility studies have been completed for Gandy Lake and combination Osprey-Beaver Lake, and preliminary recreation master planning associated with the Lakes Complex. Complete land acquisition of tracts needed for protection of planned recreation development at Gandy Lake. Write Environmental Analysis for Complex.		
<u>Phase 2:</u> Preliminary design of Osprey-Beaver and Gandy Lake. Construct Lake of the Clouds dam and associated recreation facilities, including roads and parking.		
4. <u>Time Required for the Project:</u>		
Phase 1 of project could be completed in one year.		
Total time needed to complete project is pending results of completed feasibility studies.		
5. <u>Estimated Cost:</u>		
The entire project development for the entire Lakes Complex, originally estimated in the National Recreation Area Management Plan at \$4,680,000 as a preliminary estimate, will be revised as additional feasibility studies and planning disclose firmer estimates.		
6. <u>First Year Cost Estimates and Items of Construction:</u>		
<u>Item</u>	In F. Y. 1977 <u>Budget Request</u>	Additional Increment <u>for F. Y. 1977</u>
Environmental Statement	\$25,000	

7. Other Costs:Phase 2 - F. Y. 1978

Preliminary Recreation Master Plan	\$ 15,000
Preliminary and final design of Osprey-Beaver and Gandy Lake Dams	50,000
Construction of Lake of the Clouds dam, including grading of pool area	1,575,000

Phase 3 - F. Y. 1979-80

Final master and preliminary site planning for Gandy Lake recreation facilities	25,000
Construct Lake of the Clouds roads and parking (FR&T)	170,000
Construct Lake of the Clouds recreation facilities	70,000
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

8. Accomplishments to Date:

Preliminary feasibility studies for Gandy and Osprey-Beaver Lakes sites have been completed.

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% complete.

Land acquisition needed for feasibility studies of Gandy and Osprey-Beaver Lakes is complete.

9. Number of Personnel:

No additional.

U. S. DEPARTMENT OF AGRICULTURE  
FOREST SERVICE

SPRUCE KNOB SCENIC DRIVE  
SPRUCE KNOB-SENECA ROCKS  
NATIONAL RECREATION AREA  
MONONGAHELA NATIONAL FOREST

PENDLETON COUNTY  
WEST VIRGINIA

- |   | <u>In F. Y. 1977<br/>Budget Request</u> | <u>Additional Increment<br/>for F. Y. 1977</u> |              |
|---|---|--|--------------|
| 1. <u>Appropriation Item and Projects:</u>  |   |  |              |
| Forest roads and trails construction  | None                                    | \$50,000                                       |              |
| 2. <u>Feasibility and Desirability:</u>   |   |  |              |
| <p>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.</p> |   |  |              |
| 3. <u>Description of Work:</u>  |   |  |              |
| <p>Prepare an Environmental Analysis for the project.</p> <p>Survey and design of Section 3 (4.7 miles).</p> <p>Land acquisition of tracts needed for road construction and roadside recreation facilities.</p> <p>Survey and design for 10.5 miles, Sections 4, 5, and 6; and construction of 23 miles of road.</p>  |   |  |              |
| 4. <u>Time Required for the Project:</u>  |   |  |              |
| This project could be constructed in 7 years.   |   |  |              |
| 5. <u>Estimated Cost:</u>   |   |  |              |
| Cost of the entire project is estimated at \$22,000,000.  |   |  |              |
| 6. <u>First Year Cost Estimates and Items of Construction:</u>  |   |  |              |
| <u>Item</u>   | <u>In F. Y. 1977<br/>Budget Request</u> | <u>Additional Increment<br/>for F. Y. 1977</u> | <u>Total</u> |
| Prepare Environmental Analysis  | None                                    | \$50,000                                       | \$50,000     |
| 7. <u>Other Costs:</u>  |   |  |              |
| See attached project costs and proposed schedule.   |   |  |              |
| 8. <u>Accomplishments to Date:</u>  |   |  |              |
| Road design has been completed for Section 1 (4.77 miles) and Section 2 (4.02 miles) by an Engineering Consultant in 1967.  |   |  |              |
| 9. <u>Number of Personnel:</u>  |   |  |              |
| No additional.  |   |  |              |

## Special Projects Attachment

PRUCE KNOB SCENIC DRIVE  
 SPRUCE KNOB-SENECA ROCKS  
 NATIONAL RECREATION AREA  
 MONONGAHELA NATIONAL FOREST

PENDLETON COUNTY  
 WEST VIRGINIA

PROJECT COST AND PROPOSED SCHEDULEF. Y. 1977

Environmental Analysis	\$ 50,000
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F. Y. 1978

Engineering survey of Section 3 from W. Va. 28 at "Birthplace of Rivers" to Warner's tract boundary	\$ 66,000
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Construction of Section 1 from Warner's Store to Judy Springs Road (4.77 miles)	\$ 3,000,000
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F. Y. 1979

Construction of Section 2 from Judy Springs Road to roadside overlook south of Spruce Knob (4.0 miles)	\$ 3,400,000
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Design of Section 3 (4.7 miles)	\$ 55,000
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Engineering survey of Section 4 from Warner's tract boundary to Warner's Store (3.0 miles)	\$ 55,000
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F. Y. 1980

Construction of Section 3 (4.7 miles)	\$ 3,750,000
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Design of Section 4 (3.0 miles)	\$ 55,000
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Engineering survey of Section 5, Blizzard Run (4.0 miles)	\$ 55,000
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F. Y. 1981-1982

Construction of Section 4 (3.0 miles)	\$ 3,250,000
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Design of Section 5 (4.0 miles)	\$ 66,000
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Survey of Section 6, Blizzard Run (3.5 miles)	\$ 66,000
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F. Y. 1983-1984

Construction of Section 5 (4.0 miles)	\$ 4,000,000
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Design of Section 6 (3.5 miles)	\$ 66,000
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F. Y. 1985

Construction of Section 6 (3.5 miles)	\$ 4,066,000
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TOTAL COST	\$ 22,000,000
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Morgantown Laboratory

Question.--Last year, \$700,000 was included within the FY 1976 Appropriations Bill for the construction of a new wing at the Forest Service Laboratory in Morgantown, West Virginia. What is the status of this work? Do you have an anticipated completion date?

Answer.--Progress is being made on the construction of the new wing to the Morgantown Laboratory. The draft prospectus for the wing was recently completed and is now being reviewed. Preliminary discussions have been held concerning architectural and engineering services. The present timetable calls for completion of design work and request for construction bids in late calendar year 1976. Completion of the wing is estimated for July 1, 1978.

Spruce Knob-Seneca Rocks

Question.--Last year, \$522,000 was included within the Senate Bill for completion of the Spruce Knob-Seneca Rocks Visitor Center, but the Senate Conference receded on that amendment, after assurances were obtained from Forest Service officials that these funds could be obtained by transfer from other sources. Do you need additional funding in FY 1977 beyond those transferred funds to complete this center?

Answer.--Yes, \$125,000 is needed to complete the Visitor Center, for interpretive facilities, and to do an archeological survey of the complex.

Smoke Hole Bridge

Question.--What is the status of the replacement work on the Smoke Hole Bridge in Monongahela National Forest for which \$224,000 was included in the FY 1976 Appropriations Bill?

Answer.--The design work for the bridge has been completed. The bid package is in the final stages of preparation. We expect to send out invitations to bid in about 30 days.

Summit Lake

Question.--What is the status of the roads and trails work at Summit Lake in West Virginia for which \$363,000 was included last year?

Answer.--Plans and specifications for the project are complete. The contract is currently under review by personnel in our regional office. The contract will be advertised and awarded in fiscal year 1976 if bids are acceptable.

Princeton Laboratory

Question.--You will recall that we dedicated the addition to the Princeton Forest Products Laboratory last fall. Does your FY 1977 budget contain adequate funding

and staffing to perform the required work within that new addition?

Answer.--The addition to the Princeton Forest Products Laboratory was designed for, and has provided, the space and facilities necessary to relieve the previous overcrowding at Princeton. We believe the program in Princeton can be effective in fiscal year 1977 with available staffing and funding.

#### Trout Pond

Question.--What is the status of the improvements at Trout Pond? Have they been completed? What has been your visitor response to this recreation area?

Do you feel that additional improvements are needed at Trout Pond? If so, please detail them for the record.

Answer.--A 14-acre manmade lake, Rockcliff Lake, at the Trout Pond area provides swimming, boating, and fishing. Other facilities include a boat launch site, beach bathhouse, 50-unit campground, trailer dump station, 30-unit picnic site, playfield, and entrance control station. Interior roads are paved and a sewage lagoon and pump station provide sanitary disposal of waste waters. To date, the project has cost \$1,198,000.

Recreation use reached 11,300 visitor-days in 1974. The complex was closed almost all of the 1975 season because construction activities made use unsafe. For this reason, we have had little visitor response. We expect use will increase rapidly as the public becomes more aware of the area.

Additional current needs at Trout Pond include:

Landscaping, traffic control and trails .....	\$20,000
Group picnic facility .....	40,000
Analysis and planning for protection of Trout Pond itself (only natural pond in West Virginia) .....	7,000

Other than the above, we plan to defer any further construction until use rates become established at this relatively new development. This will give us time to determine impacts and site capability to guide future expansion.

#### Resources Planning Act

Question.--The Forest Service has completed a comprehensive planning process for the Resources Planning Act. What national needs in research have been identified?

Answer.--Ten national needs in forest research were identified during the comprehensive planning process for the Resources Planning Act. These are:

- Renewable resources evaluation
- Habitat research for threatened and endangered species and other sensitive species.

- Research to improve the timber supply
- Research to manage forest pests and improve pest control technology
- Research to improve energy conservation in forestry and wood use
- Research portion of range validation
- Research to prevent man-caused forest fires
- Outdoor urban and dispersed recreation research
- Research to reduce and prevent forestry related non-point pollution
- Improved harvesting systems

Question. --What steps is the Forest Service taking to meet the 1979 assessment required by the Renewable Resources Act?

Answer. --The Forest Service has initiated planning for the 1979 assessment. This planning involves stepped up acquisition of data for all resources--recreation, timber, water, range, and wildlife. It also includes improved measurement and analysis techniques.

#### Funding Needs

Question. --How much could the Forest Service effectively use in fiscal year 1977 to meet the Congressionally mandated assessment; 1979 will be on us soon?

Answer. --The Forest Service could effectively use an additional \$2,092,000 to increase the quality and timeliness of the assessment, as requested in RPA for fiscal year 1977.

#### Threatened and Endangered Species Research

Question. --What is the basis for habitat research on threatened and endangered species?

Answer. --The Endangered Species Act of 1973 requires all Federal agencies to pursue their authorities in furtherance of the purposes of the Act. This requires resource managers to protect the habitat of threatened and endangered species. The Act provides judicial recourse to any citizen who finds the existence of species is threatened. We know little about the habitat needs of the threatened and endangered species. Research is necessary to provide the knowledge for sound management.

Question. --What steps is the Forest Service now taking to provide research on the threatened, endangered and sensitive species?

Answer. --In fiscal year 1976 the appropriation provided \$631,000 to initiate research on some of the threatened and endangered species.

Question. --You said this is a national problem. Do you have a national program of research planned? If so, what would be the cost?

Answer. --We have a program planned for threatened and endangered species and for other species of wildlife for which forest and rangeland provide critical habitat. To provide the knowledge necessary to assure suitable management procedures would require additional research. This research would address habitat problems for threatened and endangered species, anadromous fish habitats in the West Coast States, and critical habitat problems for wild horses and burros. The amount requested in RPA for fiscal year 1977 to support this research is \$1,653,000.

#### Increased Timber Supply

Question. --I understand that we could make better use of our eastern hardwood forests to help meet the nation's demands for wood. Is that right?

Answer. --Recent supply and demand analyses show our eastern hardwood supply is underutilized, and that fast growing softwoods such as Douglas-fir are overutilized. Hardwoods cover 54 percent of the commercial forest land in the entire nation and are growing about 25 percent faster than they are being utilized. We believe research can provide the technology to increase the utilization of eastern hardwoods and to speed the growth of selected softwood species.

Question. --Hardwoods predominate in my State. What funding does Research need to provide the new technology and to increase our nation's wood supply?

Answer. --We would propose to accelerate research in the harvesting and utilization of hardwoods at existing research locations in the East, including Morgantown, at a cost of \$2,100,000. Research to speed the growth rates of selected softwoods would be centered in the West and South and require \$1,251,000 additionally. These amounts were in the Forest Service RPA request.

#### Forest Pests

Question. --Last year there was much interest in forest pests such as the spruce budworm. Do we have an adequate research program on these pests?

Answer. --The research program on forest pests is not adequate to provide timely relief from pests such as the spruce budworm that now damage the nation's forests.

Question. --These pests are obviously causing a great deal of damage. What kind of a research program is necessary this year to get on top of these pests?

Answer. --The research program planned under the Resources Planning Act would accelerate work on the major pests such as spruce budworm, mountain pine beetle and dwarf mistletoe and provide improved pest control technology. An increase of \$4,923,000 in fiscal year 1977 was proposed by the Forest Service for this research.

## QUESTIONS SUBMITTED BY SENATOR GALE W. McGEE

## REFORESTATION

Question.--It is my understanding that some 3 million acres of National Forest lands still are in need of reforestation. In view of the critical problem of declining timber stock, I would be interested in knowing to what extent National Forest acreages in need of replanting are increasing or decreasing. I note as well that while the costs of reforestation are increasing at an alarming rate, the funds requested for fiscal year 1977 are actually somewhat less than those expended in fiscal year 1975. Please elaborate on the implications of this continued policy of limited reforestation funding.

Answer.--As you indicate, on July 1, 1974, there was a reforestation backlog of 3.3 million acres. Of the total, approximately 900,000 acres could be reforested by use of Knutson-Vanderburg Act funding, but 2.4 million acres would require appropriation of protection and management funds for reforestation.

In fiscal year 1975, some 394,000 acres were reforested on the National Forests. This total included 163,000 acres reforested with regular appropriated protection and management funds, and 231,000 acres with Knutson-Vanderburg funds.

Of course, during the same period, acres needing reforestation were added through logging, fire, or other means. At the end of fiscal year 1975, the last full fiscal year, the net reduction in reforestation needs was 177,000 acres.

We anticipate further reductions in fiscal year 1976, although data will not be available until late fall. We are ahead of the schedule given the Congress last year.

We will be able to continue this level of program with the funds requested in the fiscal year 1977 budget. We are allocating funds in fiscal years 1976 and 1977 to increase nursery production to an optimum level to accomplish reforesting the backlog. It will take time to increase capacity of existing nurseries and to determine feasibility and sites of new nurseries. Part of the problem with this is that we do not want to invest heavily in nursery capacity that will no longer be needed when the backlog is eliminated.

We have further supplemented our reforestation capability through use of the Youth Conservation Corp and emergency employment programs. This is the basic reason for our being able to reduce the requests for reforestation funds by approximately \$2 million in fiscal year 1977 and still maintain adequate production levels.

We have also reduced the backlog in some instances by site preparation for natural regeneration. This can be done on some sites when we get a good seed year in desirable species.

## ROAD CLOSURES

Question.--Road closures are still a very large problem in the National Forests in Wyoming because in too many cases a closed road is unrecognizable as such. Enforcement, consequently, seems arbitrary when someone is cited for using one of these roads. Much of this problem could be eliminated if better barriers could be constructed, supplemented with the use of highly visible notices. There are, I understand, over 7,800 miles of road in the Rocky Mountain Region alone which are slated for obliteration. The cost of this program would be in excess of \$10 million. Moreover, there are some 1,300 roads needed for periodic or seasonal use, whose closure would cost about \$500 each, if properly conducted. How are these needs reflected in the Forest Service's budget for the coming fiscal year?

Answer.--Funds were not earmarked specifically for road closures. Our instructions to the field are to fund the maintenance of roads needed for timber sales and "permitted uses" provided these activities bear their share of maintenance costs. Secondly, the road system will be operated so total use will be controlled to a maintainable level within available funding. This will involve seasonal or year-long closures or regulation of traffic on selected sections of the system. Prior communication with the public and other users will be required. Finally, any road open to public use must meet the requirements of Standard 13 of the Highway Safety Act.

Area closures may be initiated in some cases as the off-road vehicle plans for each National Forest are completed and implemented prior to December 31, 1976. These closures would be to minimize resource damage, promote the safety of all users, or to reduce conflicts among users.

The total annual recurring cost for administration and enforcement of the off-road vehicle plans will amount to approximately \$6 million. The fiscal year 1977 budget reflects part of the needs. As we get further into the implementation phase, we plan to increase our capability and funding to achieve full enforcement over several years' time.

#### NORTHERN CHEYENNE TRIBE TRANSFER

Question.--In recent months, I have received some information about possible plans to return portions of the Custer National Forest to the Cheyenne Tribal Council. What is the status of this plan? What would be the fate of any existing claims, permits, or other concessions on the forest if this transfer were to take place?

Answer.--The Forest Service first became aware of this situation when, on March 17, 1975, the National Tribal Chairmen's Association passed a resolution supporting the Northern Cheyenne Tribal Council in its request:

"...that appropriate Federal agencies, in particular, the U. S. Department of Agriculture and the U. S. Department of the Interior, Bureau of Land Management, contact the Northern Cheyenne Tribe in the immediate future for the purpose of entering into negotiations with the final goal in mind that the Ashland Division of the Custer National Forest and all Bureau of Land Management lands located within six (6) miles of the exterior boundaries of the Northern Cheyenne Reservation be conveyed to the Northern Cheyenne Tribe by agreement or congressional action for the purpose of having the Northern Cheyenne Tribe control, administer, supervise, and otherwise operate said lands and premises set forth herein, including timber, minerals, grazing and all natural resources."

The request involves 208,000 acres of National Forest land and 33,000 acres administered by the Bureau of Land Management. Approximately 175,000 acres are underlain with coal deposits. Similar requests are being made by Indian tribes throughout the country. Literally millions of acres of Federal public lands are involved. We have continued to express our concern over the possible widespread impact of any transfer of public land to tribes or other select groups. However, the merits of each such request are investigated.

Although there is no known or alleged legal claim to the lands requested, the Forest Service has agreed, at the request of Council members, to obtain information on resources, resource utilization, and the effects of such a grant. This is now being done by the supervisor of the Custer National Forest in conjunction with a current effort to develop a land use plan for the Ashland Unit. Target date for completion of this plan is July 1, 1976. At that time, we will be able to provide more factual information, and suggestions for improvements in the present situation.

Legislation would be required to transfer any of the subject lands to the Northern Cheyenne Tribe. The fate of any existing claims, permits, or other concessions would be dependent upon the protective provisions which Congress would choose to include in the legislation.

#### CAMPGROUND FEES

Question.--What progress is being made to ensure the more efficient collection of campground fees? I know that this matter was recently under study by the Forest Service. One of the recommendations made was that a weekly campground fee be instituted. Has this approach been given any consideration?

Answer.--Yes, we considered the weekly campground fee. We found, however, that the majority of complaints from the public and administrators alike resulted from the continual changes in the Land and Water Conservation Fund Act. There was a real need to standardize on a few basic procedures and let them become well known and accepted. With this in mind, no changes were made in 1974 or 1975. We are changing our procedures this year only to the extent of accepting payment for more than one day. This is in line with most of the other Federal agencies.

## CLEAN-UP AT CAMPGROUNDS

Question.--Also, campgrounds still are, in too many cases, unkempt. I realize the Service continues to have problems in maintaining these grounds, but I would like to know if any improvements are in store for the next tourist season.

Answer.--The President's budget includes an increase of \$4.8 million for the operation and maintenance of recreation facilities. This will ease the problem somewhat. Some facilities will, however, have to be closed during either part or the entire season. Field officers have tried many things to avoid closing facilities. One has been to ask users to "pack your trash home." The public has responded well at some locations but left some very unkempt situations at others.

## LOGGING IN MEDICINE BOW NATIONAL FOREST

Question.--There are reports that logging activity has been on the increase in the Medicine Bow National Forest in the last two years. Please provide a statement as to the extent of logging activity in that forest over this period. How much does this increase amount to?

Answer.--The volume of timber harvested from the Medicine Bow National Forest has been responsive to economic cycles in the housing market and the lumber and plywood markets. As shown in the following table, harvested volumes have declined in the last two years from the peak of 36.8 million board feet reached in fiscal year 1972.

Beginning in fiscal year 1971 the Medicine Bow Forest reduced their current timber sell program because of the large volume already under contract. Much of the volume under contract required reworking to replace the marks which designated trees and areas scheduled for harvest (the marks had faded due to weathering and passage of time) and to prepare revised harvesting plans which incorporated environmental protection requirements.

The sell volumes in fiscal years 1974 and 1975 are a return to the normal program level on the Medicine Bow National Forest. Although the five principal timber sale operators who purchase timber from the Medicine Bow National Forest have an annual mill capacity of about 61 million board feet, their normal harvest level from the forest is only 34-36 million board feet per year.

Recent Timber Sale Activity on the  
Medicine Bow National Forest

<u>Fiscal Year</u>	<u>Volume Sold MMBF</u>	<u>Harvest Program</u>	
		<u>Volume-MMBF</u>	<u>Acres Harvested</u>
1970	48.1	26.4	2,755
1971	17.0	33.2	3,114
1972	10.8	36.8	3,682
1973	20.5	36.1	3,964
1974	36.3	32.9	3,477
1975	30.9	27.5	3,015

## MEDICINE BOW RANGER STATION

Question.--As you know, I have opposed any closing of the Ranger Station in Medicine Bow National Forest. Recently, I have learned that the Forest Service intends to keep this station open. Please inform this committee as to the staffing requirements which you anticipate for this facility.

Answer.--That office is staffed with a GS-9 timber sale forester and a clerk who is shared with the Soil Conservation Service.

## FLAMING GORGE

Question.--It is my understanding that no diversion of Forest Service funds is contemplated in the Flaming Gorge National Recreation Area for fiscal 1977. However,

I am concerned that the boat docks will not be installed this year. Please state your plans for these docks for the coming year.

Answer.--We plan to have the docks available for use early in July at the latest.

#### NOXIOUS WEED CONTROL

Question.--As you know, only \$50,000 has been spent annually by the Forest Service in administering the provisions of the Carlson-Foley Act. According to my information some \$140,000 is needed to implement noxious weed control programs in Wyoming alone. Please state how much monies would be utilized in my State.

Answer.--To achieve effective control of noxious weeds on National Forest System lands in Wyoming, about \$140,000 would be required over a span of perhaps five to ten years. Project priorities would depend on local needs for weed control to protect downstream agricultural values. Locally established weed control districts, working with Forest Service officials involved, would be reimbursed for control work accomplished on Federal land in connection with control projects on private land. Rate of expenditure would be limited by several factors, including National Environmental Policy Act requirements, and capabilities of weed control districts to program and accomplish such work.

#### RYAN PARK TRAILER CAMPGROUND

Question.--It now seems apparent the Forest Service will close the Ryan Park Trailer Campground in the Medicine Bow National Forest to summer-long permit holders in favor of fee-access users. This is a regrettable action and one to which I am completely opposed. The permittees were persuaded to abandon other sites throughout the Medicine Bow as far back as 1964 in favor of this one. Now they are being kicked out. The Service has refused to consider a phasing out of the permits in this case. It is quite apparent to me that the local residents of this area have a good deal more they wish to say about this plan. Will the Forest Service consider delaying this action until they have had a full and fair opportunity to express their views? Also, what will be the potential cost saving by this action? What would be the costs involved to continue operating the park under the present permit system? Can you estimate what a phased system of voluntarily relinquished permits (resulting in a gradual phasing to fee-access use) would require in cost?

Answer.--The cost of administration is not the problem at Ryan Park Trailer Campground. Continuation of season-long use by the few who can be accommodated would be somewhat less costly than operation as a public campground. Our problem is meeting the growing need for public facilities and the inequity of serving a few while turning many away.

The practice of season-long use at Ryan Park started in the early 1960's when public camping use was light in relation to the number of facilities available. The forest was able to accommodate all who wanted a site at Ryan Park. Since 1972, however, the forest has been forced to conduct a drawing to allocate the sites at Ryan Park among many applicants.

Campground use on the Medicine Bow National Forest has increased from 116,000 visitor days in 1965 to 209,000 visitor days in 1975. Currently, use of the other campgrounds along the Snow Range Highway averages 50-60 percent of theoretical capacity--use above about 40 percent invariably causes damage to the resources in high elevations. Use at Ryan Park is only about 6 percent of theoretical capacity. It is inequitable to continue this type of use for the convenience of a few when public need is so great. Ryan Park has provided about 3,500 visitor days per year under season-long occupancy. Use is expected to be about 13,500 visitor days under management as a public campground.

The Ryan Park users were notified of this change of management by letter on February 2, 1976. Prior users will have the same opportunity to enjoy Ryan Park for up to 10 days as other members of the public. Those who want a season-long site in the area will have a place to go. We understand two campgrounds on nearby private lands have decided to offer season-long sites since the Forest Service announcement.

## QUESTIONS SUBMITTED BY SENATOR HIRAM L. FONG

## THREATENED OR ENDANGERED SPECIES IN HAWAII

Question.--I understand that 53 percent of the Nation's threatened and endangered birds are found in Hawaii and many of these inhabit Hawaii's forests. Additionally, over 1,100 species comprising 1/3 of the Nation's plants designated as threatened and endangered by the Smithsonian Institution are indigenous to Hawaii; these account for almost 50 percent of Hawaii's native flora. Last year, U.S. Forest Service testimony indicated that protection of Hawaii's endangered species would require an annual appropriation of \$450,000 for fiscal year 1977. The budget request for Hawaii for fiscal year 1977 is \$111,000, the same amount approved for last year. Please give a breakdown of the use of these funds including a list of the specific projects to be undertaken.

Answer.--The statistics given on the numbers of endangered and threatened birds and plants in Hawaii are essentially correct. They indicate the uniqueness and severity of the problem. The Forest Service has plans for a program of research on the endangered and threatened animals that would require \$450,000 per year. The budget for fiscal year 1977 provides \$111,000; these funds are being used to study the Palila on the island of Hawaii and to begin research on one of the many endangered species of honeycreepers inhabiting the forests on that island. Research on endangered birds at the \$450,000 funding level would provide for an expansion of the research program to the full level of six scientists plus the supporting personnel that are required to work on the many endangered birds inhabiting forests on the five islands of Hawaii. A long-range program of research on endangered Hawaiian plants is estimated to cost about \$300,000 per year.

Question.--What would be the impact of the Endangered Species Act of 1973, particularly the provisions relating to designation of critical habitat, on Hawaii's forest management? How are geographic limits determined for critical habitats for threatened and endangered species?

Answer.--The Endangered Species Act of 1973 can have a very significant effect on the management of the State and private lands within Hawaii's Forest Reserves. Critical habitats for threatened and endangered species are designated by the Secretary of the Interior. Proposed critical habitats are delineated after suitable study of the species and its habitat. The Forest Service serves as a reviewer of the proposed critical habitat where forest or rangeland habitats are concerned. The Act requires Federal agencies to use all of their authorities in furtherance of the purposes of the Act. The Forest Service uses its research expertise in wildlife to help meet the Act requirements. If portions of the State Forest Reserves are designated as critical habitat for a species, then practices judged to be adverse to the species or its habitat could not be carried out under Federal funding such as cooperative forestry assistance. Furthermore, if these practices harass or harm endangered wildlife species, then under the law, they cannot be carried out at all. Any citizen, on his own behalf, can sue to prevent activities alleged to be detrimental to a threatened or endangered species.

Question.--How do Hawaii needs in threatened and endangered species research relate to the rest of the Nation? What is the nationwide budget request for fiscal year 1977 for protection of endangered species? Is Hawaii's share of the budget request commensurate with its disproportionately large share of the Nation's endangered species?

Answer.--Hawaii contains a disproportionate number of the Nation's threatened and endangered species; thus, the amount of research needed in Hawaii is substantial. The fiscal year 1977 budget request for threatened and endangered species research by the Forest Service is \$631,000. Of this, \$111,000, or roughly 18 percent, of the total is directed to research on problems in Hawaii.

Question.--In cooperation with the Hawaii State Division of Forestry, the Institute of Pacific Island Forestry of the U.S. Forest Service has begun a modest research program on endangered species. I am advised, however, that this program is inadequate in light of the large number of endangered species in Hawaii. The Hawaii Division of Forestry advises me that too little is known about endangered birds in Hawaii regarding their population, distribution, critical habitat, food requirements, migration patterns, nesting requirements and breeding data. What is the current level of research on endangered birds in Hawaii? What research program on endangered birds does the Forest Service plan to undertake in the next fiscal year and at what funding level?

Answer.--Current Forest Service research on endangered birds in Hawaii consists of two scientists funded at \$111,000. Three Fish and Wildlife Service scientists also work on endangered birds in Hawaii. Forest Service funding for this work in fiscal year 1977 will be the same as fiscal year 1976. Current research focuses on the habitat of the Palila, an endangered native bird in the mamane-naio forest. This habitat is declining apparently because feral sheep and domestic cattle overbrowse the forest type. In cooperation with the Fish and Wildlife Service and the State of Hawaii, the Forest Service also will assist in identifying critical habitat of one of the several honeycreepers (endangered native birds) using the ohia-koa-treefern forests.

Question.--As stated in his March 5 letter to me, a copy of which is attached for the hearing record, State Forester Tom Tagawa lists several areas of plant protection which are in great need of accelerated research and surveys. Would you please comment on each of the needs stressed in Mr. Tagawa's letter. What is the current level of research on endangered plants in Hawaii? What research programs on endangered plants does the Forest Service plan to undertake in the next fiscal year?

Answer.--The areas identified by State Forester Tagawa as needing research all are important and deserve priority. They are included within our overall analysis of research that is needed on endangered plants nationwide. Hawaii has a disproportionately high number of threatened plant species. The Forest Service has research planned on threatened and endangered plants to be initiated as soon as the fiscal situation permits.

Question.--The need for adequate funding for endangered species programs in Hawaii is emphasized in the March 9 letter to me from Governor George R. Ariyoshi, a copy of which is attached for the hearing record. Does the U.S. Forest Service anticipate increasing its budget request for protection of Hawaii's endangered species in fiscal year 1978? Please provide a breakdown of funds that the Forest Service anticipates will be needed in the next budget request.

Answer.--The Forest Service has developed a long-range program of research to provide the technology necessary for protecting Hawaii's endangered species. Conducting the necessary research will depend upon appropriations. The budget for fiscal year 1977 provides \$111,000 for research on endangered birds in Hawaii. Long-range plans for funding the necessary research require \$450,000 or an increase of \$339,000. Long-range plans on endangered plants in Hawaii are estimated to require \$300,000 annually.

Question.--The Hawaii State Division of Forestry has stressed the need to develop standards and criteria to classify flora and fauna as threatened or endangered. Does the U.S. Forest Service have any plans to develop such criteria, possibly in cooperation with the U.S. Fish and Wildlife Service and the Smithsonian Institution?

Answer.--The responsibility for developing standards or criteria to classify flora and fauna as threatened or endangered has been assigned to the Secretary of the Interior. The Forest Service and other Federal agencies are making an input to the standards and criteria as they are being developed.

Question.--Please provide a table showing what was requested by the agency for Fiscal year 1977 for endangered species research, the amount approved by the Department, and a description of the work which would be undertaken at each level, and how much of this work would relate to the needs of the State of Hawaii.

Answer.--Funds for Endangered Species Research--FY 1977

<u>Agency Request</u>	<u>Department Request</u>
\$1,793,000	\$631,000

Research will continue at the fiscal year 1976 funding level on endangered animals and birds in Hawaii, Arizona, Minnesota, South Carolina and Puerto Rico. At the level requested by the agency, increased funds would be used to accelerate existing research, and research would be initiated on endangered species habitat problems in 10 additional States. Of the \$1,793,000 requested by the agency, \$261,000 would be related to threatened and endangered plants and animals in Hawaii. The figure of \$631,000 includes \$111,000 for work in Hawaii.

Question.--What is the State of Hawaii contributing to threatened and endangered species research?

Answer.--The State of Hawaii is a full partner with the Forest Service and other agencies in developing and carrying out research studies on threatened and endangered species. The State exchanges technical assistance and equipment and provides appropriate consultation for solving the problem identified. Hawaii, through the Division of Forestry and the Division of Fish and Game, provides funds in support of the research on threatened and endangered species.

Question.--Are the U.S. Forest Service, the Fish and Wildlife Service, and the Hawaii State Department of Land and Natural Resources coordinating their efforts in the protection of Hawaii's endangered species?

Answer.--The Forest Service, Fish and Wildlife Service and Hawaii State Department of Land and Natural Resources are working together to protect Hawaii's endangered species. Planning is coordinated through problem identification and research planning. All agencies participate in the recovery teams.

#### TECHNICAL ASSISTANCE

Question.--The Hawaii State Division of Forestry has been anxious to have a Federal Forester to work with its own State foresters. Does your budget include funds sufficient to provide for Federal foresters in Hawaii?

Answer.--We agree that there is a need to increase Forest Service technical assistance to the Hawaii State Division of Forestry. We have attempted to provide this by detailing our specialists from the mainland as needed. Our budget does not now provide for stationing one or more of our specialists in Hawaii to work with the State in cooperative programs.

## COOPERATION IN FOREST FIRE CONTROL

Question.--I understand that funding for the Clarke-McNary (C-M 2) Cooperative Fire Program is being reduced by fifty percent for fiscal year 1977 and will be eliminated for fiscal year 1978. The effects of a forest fire can be very devastating and can result in the extinction of many endangered species. I would like to see funding restored to its current level for the C-M 2 program. What is your justification for the reduction in funding for this program?

Answer.--The Clarke-McNary Fire Control Program has been in operation since 1924. During this time, States, in cooperation with the Federal partner, have been very successful in reducing the destruction of natural resources by man-caused fires. After 1978, the Federal role will be one of coordination, training, development and procurement of equipment, and providing a nationwide fire prevention campaign only. Currently, the Federal share of expenditures in the program is 14.6 percent of the total. It is felt that after some 52 years the program has successfully met the objective of stimulating the States to develop an adequate protection capability.

## INSECT AND DISEASE MANAGEMENT

Question.--I am advised that the U.S. Forest Service asked for a reduction in the contingency fund for Insect and Disease Management programs. Protection of critical habitats for endangered species is not limited only to fire prevention, but also to eradication of forest pests such as insects, diseases and weeds. To ensure maximum protection of endangered species the contingency fund should be restored to the fiscal year 1976 level of \$10 million. What is the justification for the reduction in the budget request for fiscal year 1977?

Answer.--It is difficult to estimate funding requirements more than a year ahead. Insect problems are typically cyclic. We are hopeful that at least some of the current major outbreaks will subside in fiscal year 1977. Also, because of the direction from Congress that consideration be given to reducing the Federal share below 50 percent in cooperative projects on non-Federal lands, we anticipate a corresponding reduction in the amounts requested for Federal funding in fiscal year 1977.

## TREE SELECTION

Question.--In each of the past two fiscal years, Hawaii received \$38,000 in the Assistance to States for Tree Planting Program, the same amount estimated for fiscal year 1977. What is the criteria for tree selection? Is any consideration made as to the selection of trees and its effect on the protection and/or enhancement of the habitats of native wildlife species?

Answer.--Each year, 12 to 15 species of trees are planted on State lands in Hawaii. The species are selected by the State forester to meet one or more of the following criteria:

- Production of high-value hardwood products
- Erosion control
- Watershed management
- Creation or enhancement of an environment for recreation.

These all include consideration of wildlife habitats.

## SECTION 216, FLOOD CONTROL ACT OF 1950

Question.--The Forest Service receives Section 216 funds transferred from the Soil Conservation Service for emergency watershed protection measures on forest and rangeland. Please describe the type of work undertaken under this authority.

Answer.--Work undertaken by the Forest Service and its cooperators on forest and other watershed lands includes seeding of grasses, fertilization, debris removal, bank stabilization, channel stabilization, contour trenching and furrowing, forest road stabilization, gully control, snag felling, trash rack or debris dam construction, sediment trap construction and landslide stabilization.

Question.--What coordination do you maintain with SCS and ASCS in undertaking remedial measures for storm damage?

Answer.--Field requests (regional and area offices of the Forest Service) are channeled through the appropriate SCS State conservationist. Forest Service (Washington Office) requires State conservationist approval before completing staff work with the Administrator, SCS, on final Section 216 requests.

Coordinated requests are concurrently forwarded to the Chief, Forest Service and Administrator, SCS by the State conservationist and Regional Forester or Area Director of the Forest Service.

Forest Service generally looks to the SCS for overall coordination with ASCS. This does not preclude field level contact between ASCS and FS people in determining what is being done or needed in specific instances.

Question.--Do you have other authorities through which this work can be undertaken?

Answer.--No, with one qualified exception. The forest fire fighting (FFF) appropriation is available for emergency rehabilitation of new burns on National Forest System lands only. Thus, only fire-caused damage on those lands is involved. Also, there is a funding limitation of \$2,000,000. Other natural disasters, on other than NFS lands are not covered.

Question.--Congress has expressed some concern over the adequacy of data received and its analysis prior to the appropriation of funds for this purpose.

Answer.--As soon as an emergency occurs, the U. S. Forest Service makes an immediate analysis of damages on forested lands. The emergency treatment cost figures are then provided to the SCS. A Forest Service team follows up with further on-the-ground surveys to determine more accurate cost figures.

The question of data adequacy and analysis is closely related to timing (or lack thereof) of the particular natural disaster in relation to regular or supplemental budget requests, hearings, and other activities.

Question.--It has been suggested that the Forest Service make its request for Section 216 funds directly, rather than part of the SCS requests, to provide for greater accountability since the SCS budget is reviewed by a different subcommittee of the Appropriations Committees of Congress. Please comment on this suggestion.

Answer.--The Department has been requested by Congress to examine the total Section 216 program, including funding. We are assisting SCS in this review. In the meantime, we are working on improvement of funding arrangements with SCS. We do not suggest changing present budget procedures prior to the completion of the Section 216 review.

## RURAL COMMUNITY FIRE PROTECTION GRANTS (TITLE IV)

Question.--The funds for the Rural Community Fire Protection grant program are appropriated to the Farmers Home Administration which, in turn, transfers these sums to the Forest Service which, in turn, administers the program through the State foresters. Is this correct?

Answer.--Yes, that is correct.

Question.--Do you feel that it would make better sense to have such funds directly appropriated to the Forest Service?

Answer.--There are close ties between this program and other Forest Service/State forester activities. The cooperative forest fire protection (Clarke-McNary C-M 2) program and the Federal Excess Personal Property program are closely linked to protection of rural areas and communities. There would be some advantages if the funds came directly to the Forest Service. However, inasmuch as fiscal year 1977 would be the third year of the three-year pilot program authorized, there would be no justification for changing the flow of funds in fiscal year 1977.

Question.--The fiscal year 1977 budget requests no funds for this program. As I understand it, this was to be a pilot program to evaluate this method of providing needed assistance to small communities, which had limited resources, for the organization, training, and equipping of rural volunteer fire departments. Are these limited funds being effectively utilized?

Answer.--Yes, they are. A partial list of accomplishments includes:

- More than 2,000 projects funded
- 19 fire departments organized
- 18 communities with improved insurance rates
- 240 fire trucks assigned (mostly Federal excess property)
- 9,680 wildland firefighters trained
- 8,400 structural firefighters trained
- The entire \$3.5 million obligated by the State foresters for high priority projects in less than two months

Rural communities contributed more than \$4.5 million to match the \$3.5 million of Federal funds.

Question.--I understand that no funds were requested for this program because adequate credit assistance was available to rural communities through the Farmers Home Administration Community Facility Loan Program. In your evaluation of the program do you find that those communities assisted could have undertaken their fire protection programs without this grant assistance?

Answer.--Based on our information, most of the communities assisted under the Title IV program are not legal entities and/or the fire departments have not been organized long enough to qualify for the FmHA Community Facility Loan Program. In the communities that do qualify for the Community Facility Loan Program, the two programs complement each other. The Community Facility Loan Program is designed to provide buildings and to meet other major equipment needs. Title IV may be utilized for training, organizing and equipment needs. The Title IV program also provides the communities an opportunity to procure and convert Federal excess personal property in order to acquire more fire equipment for less dollars expended.

## FORESTRY INCENTIVES PROGRAM

Question.--What role has the Forest Service played with respect to the Forestry Incentives Program?

Answer.--The Forest Service has been fully involved in the development and administration of the Forestry Incentives Program. We are responsible for the technical direction of the program. Specific areas of involvement are:

- (1) Development of the fund allocation system and subsequent allocation procedures.
- (2) Development of practice specifications with cooperating State forestry agencies.
- (3) Delivery of technical forestry assistance through State foresters and, where available, private consultants offering such services.
- (4) Development and application of evaluation procedures (as required by law) designed to measure the cost-effectiveness of the various components of FIP.
- (5) Program redirection, where monitoring and evaluation procedures dictate changes.
- (6) Other Forest Service cooperative programs such as Cooperative Forest Management and Clarke-McNary, Section 4 (C-M 4) and Title IV (Agricultural Act of 1956) supplement FIP through related technical assistance in forest management, nursery production and development of superior tree seedlings.

Question.--At what cost was this assistance provided?

Answer.--Expenditures for technical direction and assistance to landowners participating in this program are limited to not more than 10 percent of the total FIP funds available. In 1976, this amount will be \$1.5 million of which--

- (1) \$185,000 will be retained by Forest Service for technical assistance support and evaluation expenses.
- (2) \$1,315,000 is allotted to the various State forestry organizations for furnishing technical forest management assistance. State forester involvement is critical to the success of the program. His role in the program is only partially compensated by these FIP funds.

## OHIA LEHUA DECLINE RESEARCH

Question.--For the past few years Congress, at my request, has provided funds for research on the severe Ohia Lehua dieback epidemic in the State of Hawaii. Please describe your current activities in addressing this critical research need.

Answer.--The funds provided by Congress, plus funds and assistance from the State of Hawaii, have made it possible to mount a concerted program to learn the cause of Ohia Lehua dieback and develop controls. Our current research is focused on the insect-disease complex believed responsible for the decline. The Forest Service is cooperating with the Bishop Museum on the insect portion of the pest complex and with the University of Hawaii on the disease components. The Forest Service is transferring an eminently qualified forest pathologist to assume leadership of the program.

Question.--What activities do you plan for fiscal year 1977 and at what budget level?

Answer.--In fiscal year 1977, we will continue the interdisciplinary approach to the decline problem in cooperation with scientists from the Bishop Museum and University of Hawaii. The Federal funding level for 1977 will be \$300,000.

Question.--Please provide a summary of the progress you are making in this research effort and comment on whether adequate progress is being achieved toward finding a solution to this problem in a timely fashion.

Answer.--From our research to date, we have learned that a root-rotting fungus occurs on the affected trees. The fungus is known to cause damage in many other areas and is often most damaging in locations with moist soils. Also, we have found a wood-boring beetle on these trees which may be contributing to the problem. The insect breeds in forest debris resulting from logging or road building. The next step is to determine the role of the fungus and the insect in the decline process. We believe the research program is fully satisfactory and on schedule.

#### FOREST SERVICE RESEARCH PROGRAM

Question.--As you know, Congress has taken a greater interest in the balance between applied and basic research conducted by USDA. Please describe the general nature of the mission and activities of the Forest Service research program in this regard.

Answer.--Forest Service research is mission or problem-oriented. However, to solve a particular problem whatever research is needed is undertaken. Some of this research could be classified as "basic" but it is still aimed at solving one part or one step of a practical problem. Research classified as "basic" comprises about 30 percent of the total research conducted by the Forest Service.

#### FORESTRY RESEARCH

Question.--It has been stated that the Federal research program on forest problems is disproportionate to other Federal agricultural research when compared on a commodity value basis. Would you comment on this allegation and the coordination between the Forest Service and ARS and CSRS in preparing its research budget.

Answer.--A direct comparison between dollars spent for Federal forestry research and those spent for other Federal agriculture research is difficult when compared on specific basis such as commodity value. Such a comparison fails to include many factors such as the relative proportion of research conducted by industry, States, and other non-Federal organizations. In forestry, only a few industries have non-proprietary research programs. The great majority of the Nation's forests and rangelands are in small ownerships. Federal forest research provides the knowledge and technology for the management of these private lands. Another factor that is omitted is the non-commodity nature of many of the goods and services produced on the Nation's public and private forest and rangelands. These goods and services include wildlife, urban forestry, outdoor recreation, and water supplies. They are the focus of a significant Federal forest research program but cannot be directly compared to agricultural commodities.

The Forest Service, Agricultural Research Service, and Cooperative State Research Service coordinate research planning and programing in cooperation with the State Agricultural Experiment Stations, industry, and others in the agricultural sector through the USDA Research Planning Process. The agencies use the coordinated planning results in developing their budgets. Informal and formal coordination on specific budget items, such as the Combined Forest Pest Research Program, is standard procedure.

STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES  
DIVISION OF FORESTRY  
1179 PUNCHBOWL STREET  
HONOLULU, HAWAII 96813

March 5, 1976

Honorable Hiram L. Fong  
2121 Dirksen Senate Office Bldg.  
Washington, D. C. 20510

Dear Senator Fong:

The Endangered Species Act of 1973 (PL 93-205) will have a tremendous impact on land use and forest management in Hawaii. This act directs that high priority be given to the protection of critical habitats of endangered and threatened wildlife, fish, plant species, including insects. The protection will be provided by preventing destruction of their ecosystem and modification of their critical habitat. We have been advised by the U. S. Fish and Wildlife Service that they are contemplating to list 940 taxa which occurs in Hawaii as endangered plants. This may be only the beginning because anyone may petition to add species to the endangered list.

I am very concerned about the preservation of unique native Hawaiian fauna and flora; and I firmly believe very little is known about their critical habitat, population numbers and present distribution, alternatives in perpetuating these species, and the effects of man's activities on populations. Therefore, until this information is known, recovery plans for endangered fauna and flora cannot be initiated; and possibly forest use will be curtailed.

The State Division of Forestry is responsible for the management of natural resources in the State forest land in which most of the endangered species occur. I believe that conservation and preservation of native fauna and flora have a definite part in our forest management program, however, not at the expense of the total forest management program. I share the growing concern that an economic and environmental crisis is rapidly becoming acute. The current Environmental Protection Act, Federal Water Quality Act, and this Endangered Species Act will add to Hawaii's and the nation's socio-economic problem.

The U. S. Forest Service at its Institute of Pacific Island Forestry, in cooperation with the State Division of Forestry, has begun a modest research on endangered species. This limited research effort is inadequate in the light of the current environmental crisis. In order to get a better handle on land and resource use management, we need to accelerate surveys and research in the following areas:

1. Taxonomy of many of our native plants have to be reworked out using the biosystematic concept.
2. More studies on the genetic diversity of our native plants are required. This includes hybridization studies.
3. Distribution and abundance of our native plants must be determined (sampling techniques).
4. The biology and ecology of our native plants are lacking. Research in this area is needed. Ecological studies would entail the determination of the "critical habitat" for each plant species.
5. Research in the propagation of endangered and threatened plants.
6. Determine ways and means of protecting endangered plant species.

The current research program is not adequate considering the magnitude of the present problem of maintaining all endangered species. Therefore, we would appreciate your support to expand this research effort to cover all of the endangered forest birds, plants and insects of Hawaii.

Very truly yours,

*Tom K. Tagawa*

TOM K. TAGAWA  
State Forester

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## EXECUTIVE CHAMBERS

HONOLULU

March 9, 1976

Honorable Hiram L. Fong  
United States Senate  
2121 Dirksen Senate Office Bldg.  
Washington, D.C. 20510

Dear Hiram:

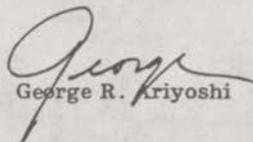
I have been recently informed that the most current list of endangered plants, developed by the Smithsonian Institute as mandated by the Endangered Species Act of 1973 (P.L. 93-205), includes over 1,000 taxa for Hawaii. Since this amounts to about 50 percent of our native flora, the potential impact of this act on forest management and land use planning in our State is substantial. I am also concerned that so much of our unique native flora is considered to be in jeopardy.

Experts in the field tell me that little is known about the distribution, actual endangered status and critical habitats for these plants. More importantly, the effects of man's activities as well as introduced and competing plant species is not known. Research on this problem is needed to preserve the endangered species and to prevent unnecessary restrictions on land use and forest management.

The U.S. Forest Service, in cooperation with the State of Hawaii, has been studying Hawaii's forests for several years. This work is done at the Institute of Pacific Islands Forestry in Honolulu. However, resources have not been adequate to address the new impacts as outlined in the Endangered Species Act. I hope that the necessary support can be obtained to develop a productive research program in this area.

With warm personal regards, I remain,

Yours very truly,

  
George R. Ariyoshi

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## QUESTIONS SUBMITTED BY SENATOR JOSEPH M. MONTOYA

Cochiti Lake Road

Question. --Last year I asked the Office of Management and Budget to study and report to me concerning the construction of an access road to Cochiti Lake. OMB suggested that Forest Service would be available to assist in this matter. Are you familiar with a letter from OMB dated September 15, 1975, in which Mr. James Lynn suggests that the forest highways program might be useful in constructing the necessary road?

Answer. --No, we have not received a copy of Mr. Lynn's letter to our knowledge.

Question. --Attached is a fact sheet prepared by OMB which describes the situation regarding UP-90. From the attached, can you determine if the proposed alternate would qualify for construction as a forest development road within the meaning of 23 USC 205?

Answer. --In order to qualify for funding as a forest development road, the project must be identified on the Forest Development Transportation Plan per 36 CFR 212. This regulation has been based on legislative direction given in the 1921 Highway Act (with subsequent revisions) and on the 1964 Roads and Trails for National Forests Act.

An administrative decision needs to be made that the road serves the National Forest (not primarily of importance to States, counties, or communities) before it is eligible as a forest development road.

In our correspondence with the Office of Management and Budget in August 1975, we indicated that this road is currently not on the transportation plan. The situation has not changed since that time. Therefore, the project is not eligible for financing with forest development road funds.

Forest Roads and Trails Budget

Question. --How much has been requested for the forest development roads and trails program in fiscal year 1977?

Answer. --The total program requested for forest development roads and trails, other than timber purchaser construction of roads, is \$170,104,000 in fiscal year 1977.

Question. --Does the above amount represent an increase over the Administration's fiscal year 1976 request?

Answer. --The fiscal year 1976 budget request was for a program level of \$158.5 million. The Congress added \$15 million. These amounts, together with a carryover balance of \$1.4 million from fiscal year 1975, result in a program level of \$174.9 million in fiscal year 1976. Therefore, the 1977 request of \$170.1 million is approximately \$12 million more than the 1976 budget request, and \$4.8 million below the approved fiscal year 1976 program level.

## FACT SHEET

The Closing of United Pueblo Road 90  
in New MexicoThe Road (see attached map)

UP-90 was built over 30 years ago by the BIA, and improved 10 years ago by the Corps of Engineers in connection with Cochiti Lake Project construction. It crosses Cochiti, Forest Service and Santo Domingo lands. The road before closure was the most convenient access to Rt. 85 (which runs northeast to Santa Fe and southwest to Albuquerque) for the Cochiti Pueblo, the recreational development at Cochiti Lake, and the non-Indian town of La Bajada. The Santo Domingos own the UP-90 right of way.

The proposed replacement section skirting the Santo Domingo lands would be about 3 1/4 miles long, cost \$1.275 M, and be used by 780 vehicles per day.

The Closure

The BIA states that the apparent reason for the closure was that the Santo Domingos were aggrieved by a decision by the Cochiti to have only Cochitis working on the dam when it was built. They also note the existence of a land dispute between them.

The Corps believes that the Santo Domingos are upset because the Cochiti have concessions around the recreation facilities but the Santo Domingos get nothing but heavier traffic. Also, they report that a 28 November 1974 newspaper article quoted the tribal council members as saying that

- the road disturbs the sacred land of the Pueblo
- the Corps no longer needs the road for construction
- Corps permission to use the road in the first place was granted by the United Pueblos Bureau of Indian Affairs, not by the Santo Domingos themselves.

The Money

Corps personnel state they can't finance the alternative section of UP-90, because the road is not needed for the Cochiti project, and their legal authority only provides for funding project-related roads. The Corps has stated their view that the road is not project related to the Senate Public Works Appropriations Subcommittee.

The BIA has stated that it would not fund the UP-90 alternate out of its 1976 availability and that if more money were available, there are higher priority uses. They further indicate that their road funding selection system starts with tribal selection and is refined by BIA area and agency review, and it could take years to get a new proposed road like alternate UP-90 to the top of the list.

The Forest Service does not consider the project to be high priority item and therefore not a candidate for the use of its own Forest Roads and Trails funds. The Forest Service, however, does consider the UP-90 alternate of some use, and are willing to recommend funding for it out of the DOT-FHWA Forest Highways program. They have even talked to the State highway department, and are in agreement that early funding is in order.

New Mexico has applied for Federal highway funds for this project under the "Access Highways to Public Recreation Areas on Certain Lakes" program. Not only has the Administration opposed the program and proposed recinding the available amounts, but the number and dollar amount of the backlog of projects makes it impossible to fund the program from this account.

UP-90 is a designated state secondary road according to the Forest Service and Federal Highway Administration; this makes it eligible for Federal-Aid Highway matching funds, depending on New Mexico's priorities. About six million dollars of 1976 funds for rural secondary roads were provided to the state in December 1974, but all but about \$1 M had been obligated as of July 31, 1975.

The best chance for funding the project is with Forest Highways money from the FHWA. \$3.6 M was available to New Mexico as of July 31, 1975, and they carry no matching requirement. The process of project fund allocation is by conference in the field-FS and the State each bring a priority list to the meeting, and the FHWA arbitrates. The results of the conference are forwarded to Washington for concurrence by the Administrator and Chief.



## ALTERNATE #1

UP-90 RELOCATION  
 \*Permanent Road-Estimate  
Sta. 0+00 to Sta. 273+00

<u>Item</u>	<u>Unit</u>	<u>Quant.</u>	<u>Price</u>	<u>Cost</u>
Unclassified Excavation	Cu.Yds.	120,000	1.50	\$180,000
Borrow	Cu.Yds.	239,300	1.00	239,300
Haul	1/4 Mi.Yds.	720,000	0.05	36,000
Subgrade Preparation	Sq.Yds.	151,700	.40	60,680
Plant Mix Bituminous Treated Base	Ton	26,700	7.50	200,250
85-100 Bituminous Material	Ton	1,670	100.00	167,000
Subbase	Ton	62,400	4.50	280,800
Plant Mixed Seal Coat	Ton	3,996	14.00	55,944
85-100 Bituminous Material	Ton	279	100.00	27,900
24" Culvert Pipe	Lin.Ft.	326	24.00	7,824
48" Culvert Pipe	Lin.Ft.	182	44.00	8,008
60" Culvert Pipe	Lin.Ft.	146	62.00	9,052
24" End Sections	Each	8	150.00	1,200
48" End Sections	Each	2	500.00	1,000
60" End Sections	Each	2	700.00	1,400
Barbed Wire Fence	Lin.Ft.	41,920	1.20	50,304
14' Gate, Standard	Each	1	150.00	150
24' Cattleguard	Each	1	5000.00	5,000
Delineators	Each	100	10.00	1,000
Right of Way Markers	Each	39	15.00	585
Project Markers Type I	Each	2	200.00	400
Metal Beam Guard Rail	Lin. Ft.	4,200	12.50	52,500
Guard Rail Anchorage, Type I	Each	8	220.00	1,760
Reflectorized Painted Markings	Lin.Ft.	70,980	0.10	7,098
Field Laboratory		1	5000.00	<u>5,000</u>
		Sub-Total		\$1,400,155
		+10% E&C		<u>140,015</u>
		TOTAL		\$1,540,170
		USE		\$1,540,000

## SUBCOMMITTEE RECESS

Senator STEVENS. This subcommittee will be in recess until 10 a.m. Tuesday when the budget estimates for the Smithsonian Institution will be presented.

[Whereupon at 12:08 p.m., Thursday, March 18, the subcommittee was recessed, to reconvene at 10 a.m., Tuesday, March 23.]

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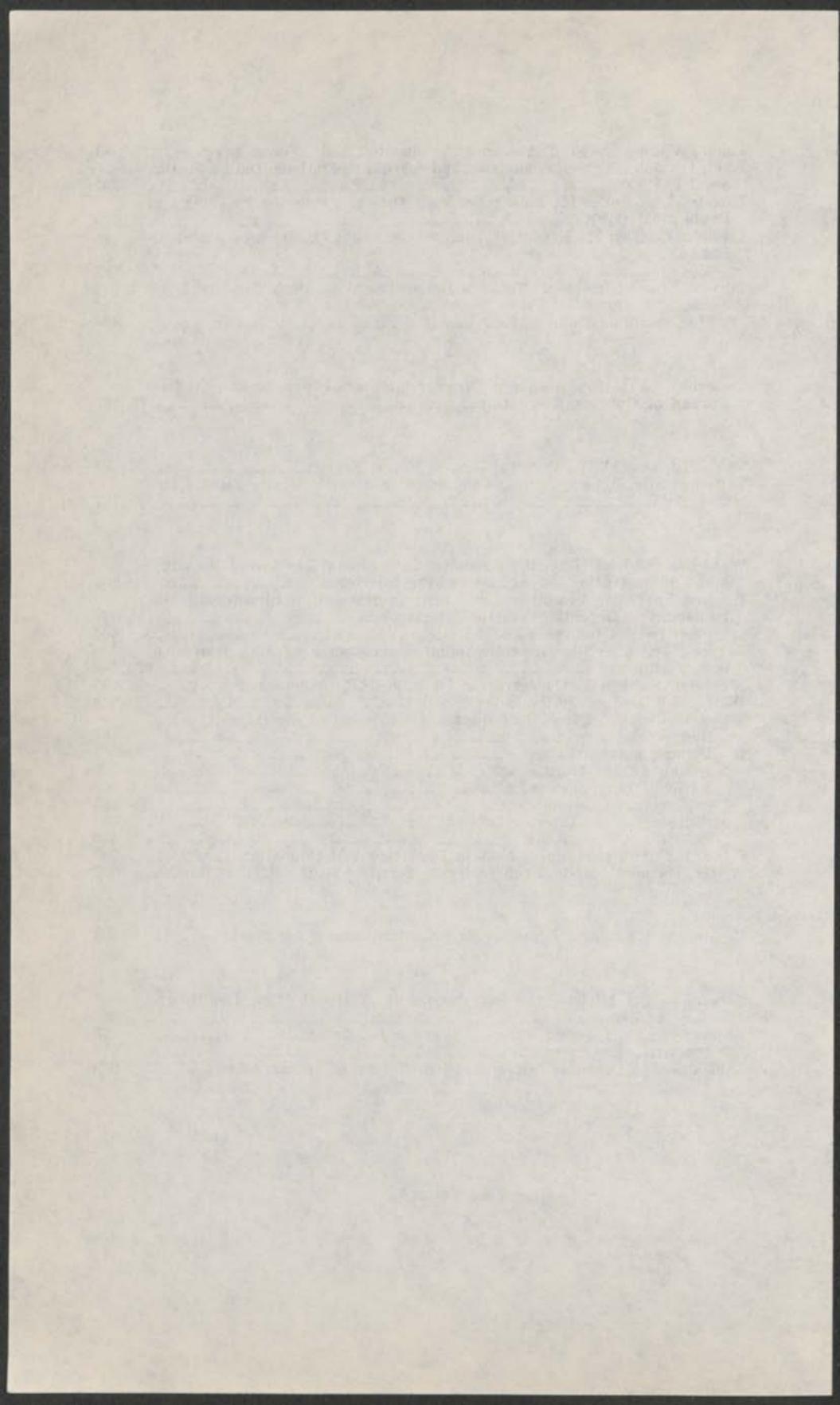
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